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# Making Good in Business

Roger W. Babson.

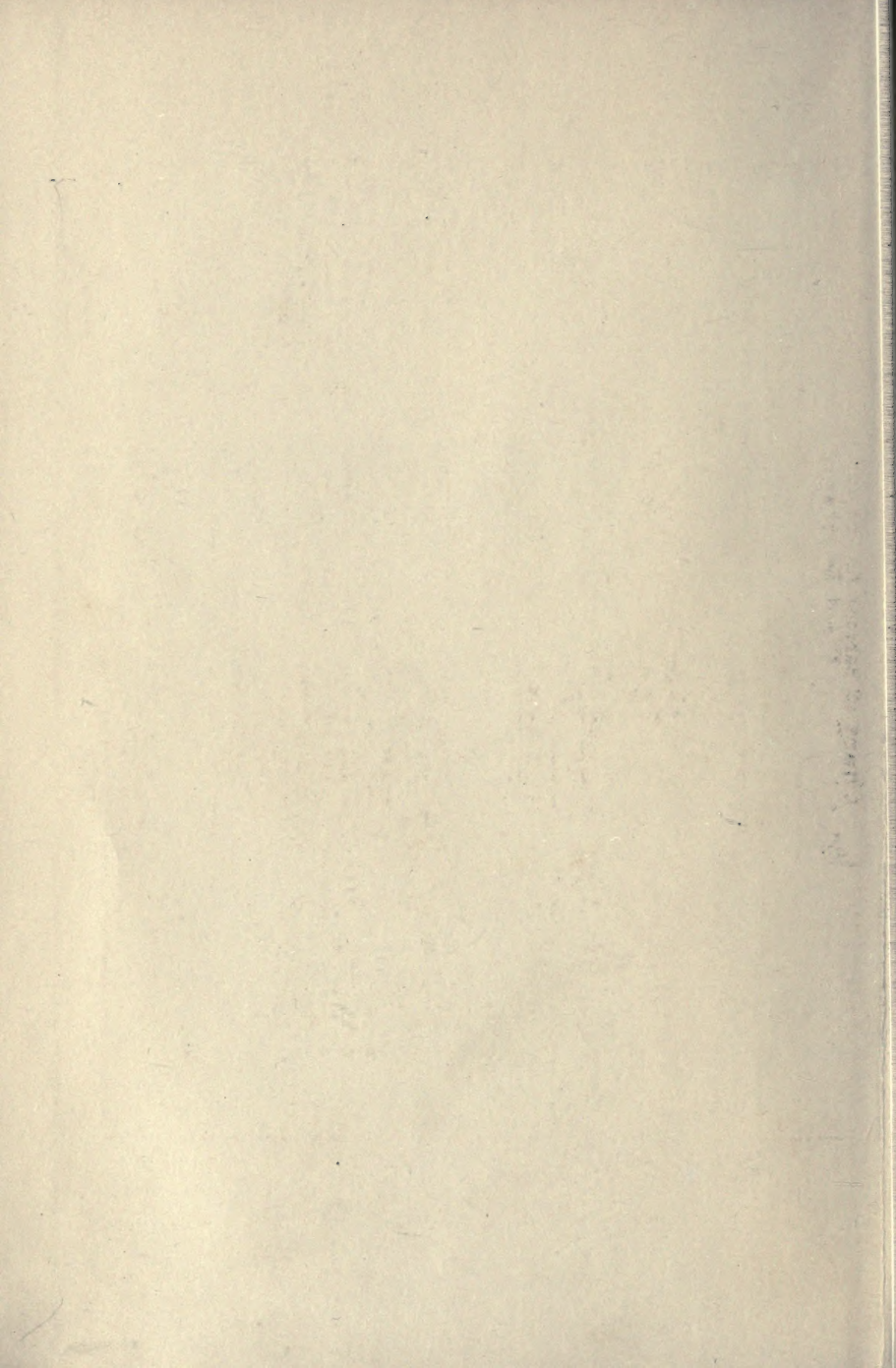


Jean F. Carroll







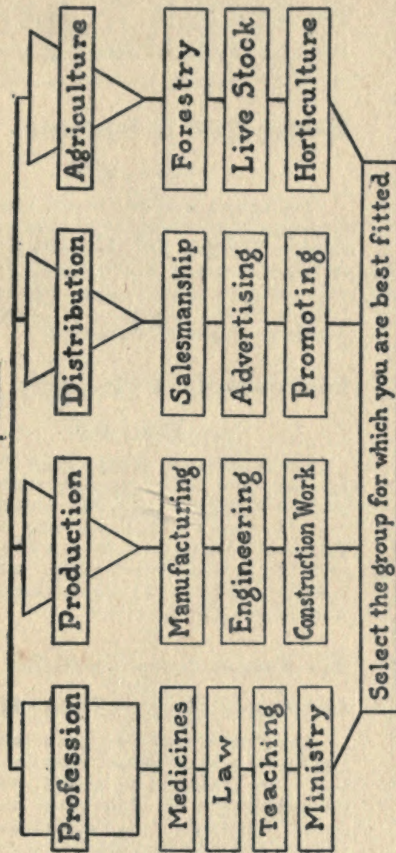




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# Making Good in Business

By

ROGER W. BABSON

*President of the Babson Statistical Organization  
Author of "Fundamentals of Prosperity," "The  
Future of the Churches," etc.*

Introduction by

PAUL P. HARRIS

*President Emeritus International Association  
of Rotary Clubs*



NEW YORK

CHICAGO

Fleming H. Revell Company

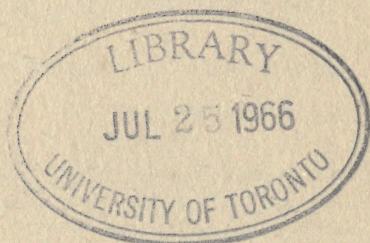
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## Introduction

**I**N this day of heart-breaking competition, making good in business is ordinarily considered as being a job big enough to engage the best energies of any man whomsoever he may be, whatsoever his calling. The percentage of men who really make good is pitifully small.

To learn of a man who possessed the will power to rise from his bed at a time when he was considered as good as dead, select a vocation, make good in that vocation, using only the most upright and ethical methods in so doing; to learn of a man who did all that, and still has time, and strength, and heart to turn around and tell others how they also can climb the rugged heights, is immensely interesting.

What was it—genius? Mr. Babson says *not*, but just plain upright determination and work. He has a passion for work. But whatever it may have been,

one thing is certain, that one who has risen over such obstacles to a great nation-wide success has qualified himself to write authoritatively on the subject "Making Good in Business."

The service which Mr. Babson's wonderful business organization renders is in the preparation and supply of statistical reports. Statistics are proverbially dry, and yet so thoroughly and so conscientiously is the service rendered, that to many thousands of American business men, the information supplied by the Babson Statistical Organization constitutes the inspiration of the day, a living demonstration of what intensity of purpose can accomplish in the direction of exalting the commonplace.

Babson does not believe in switching from one business to another in the hope that, eventually, some smooth path to success may be found. He is not much interested in smooth pathways. His is the pioneer spirit. He prefers to blaze his own trails. His plan is not to see how much he can get out of a business, but



rather how much he can put *in* to it; and he views his business as one of his best opportunities to serve society.

He has not led the manner of life which one would expect to be productive of a prophetic vision. On the face of it, it has been too closely connected with cold, hard facts. Yet that this man of facts and figures has been inspired by prophetic vision no one who reads this book can doubt. When Mr. Babson looks at an object he observes more than its colour. Colour is only skin deep, and Babson's keen vision pierces the object through and through.

He does not waste his fire on little things; life is too brief a sojourn. He considers the possession of his talents a sacred trust, and proposes to render good account of his stewardship. Seeking the spiritual he has achieved abundant success in things material, thereby demonstrating the truth of the adage "He profits most who serves best." What a wonderful instrument is a well-regulated, clean-thinking human brain and how

wonderful its power to lift civilization to higher levels!

Thus far, the genius of America has been made manifest chiefly in its business accomplishments. Material demands have been so insistent, that it is not remarkable that spiritual progress has been comparatively slow; but he who has concluded that America must trail behind in spiritual achievement may well make new reckonings. Mr. Babson's book, "Making Good in Business," tells another story. It should convince skeptics that wonderful things for the world are in the making, and that the new day will be something of an American day because it will have so much of good, clean business in it.

American spiritual progress will not be apart from business; business will be one of the expressions of it. Mr. Babson has never resigned himself to the idea that a man should energize himself spiritually on the Sabbath day, and then run through the week, as far as possible, on stored energy. He believes in the observance of



the Sabbath day and in the influence of the Church, but he also believes that there should be enough of honesty and purpose, enough of love of service in business to keep business spiritually energized all of the time.

To load so much upon the back of business may appear to some like the imposition of a very severe handicap,—a handicap such as must necessarily result in the loss of the race. But, again, Mr. Babson comes forward. He tells us that honesty, sincerity and service have never lost a race since the beginning of time; that these elements are wings to business, not weight. He considers American business, at present, to be grievously, but not dangerously, ailing. He deplores business depressions as unnecessary and points out methods by which they may be stamped out as a scourge, and prosperity thus be made permanent.

How shall we appraise a book? Very much as we appraise other things, perhaps—by its usefulness. There may be a great deal of gold in a mountain, but it

will not be of much interest to the prospector unless the gold can be found there in paying quantities. "Making Good in Business" will occupy a permanent place in American business literature because of values to be found between its covers in paying quantities.

Mr. Babson indulges in no idle phrases. Every paragraph and every sentence has its meaning and its purpose. There is nothing vague or abstract about his philosophy. It is direct, practical, concrete. It revives our faith in the good old-fashioned precepts which, in our heart of hearts, we know must be kept alive, and it stimulates our courage to go forth and fight the battle of every-day life with new hope and with clearer vision. May the readers of this book be many, and may its writer be long spared. There is still much work to do, and efficient workers are none too many.

PAUL P. HARRIS.

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International Association of Rotary Clubs,  
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## Preface

**T**HIS book is the result of the author's personal experience in business, extending over a period of twenty years. His work has put him in contact with most of America's living captains of industry. The Six I's of Success herein described are the result of his study of these men.

He acknowledges indebtedness to his associate, Mr. Ralph B. Wilson, for material for the second chapter and certain other suggestions. Mr. Wilson has accompanied the author on numerous trips where the question of "Making Good in Business" has been discussed, and offers these additional suggestions to make the story more complete.

R. W. B.

*Wellesley Hills, Mass.*



## I

### WHO SUCCEEDS?

**A** FEW years ago I was employed by a great magazine publisher to make a study of America's leading industries. The purpose of this study was to find those industries in which opportunities for success were greatest. For this publisher I tried to find some product which had possibilities of development, but in the producing or marketing of which no one was then "making good." This publisher enjoyed taking hold of some particular brand of product, of which very few had ever heard, and making all of us go to the market and demand it. To my great surprise, in making the investigation, it was impossible to find a single industry from eggs to engines, ties to tires, pins to pianos, butter to buildings in which some one, somewhere, was not making millions of dollars.

*Opportunities in Every Line*

The result of this investigation showed that the reason why some people make a success and others fail is purely a matter of difference in ability. Opportunities exist in every line of business. Opportunities are almost equal over a period of years in all lines. It is true that in the fall there is a greater demand for fur coats than for straw hats. It is only a few months, however, before the straw hat man will be reaping his harvest, while the fur coat man's business will then be dull.

At times there is a great demand for men in certain lines of industry. In these lines men then get large wages. This fact, of itself, attracts a great many men to the industry and thus ultimately over-crowds it. The industry which, to-day, pays the highest wages may be in a few years paying the lowest, and the industry which, to-day, is paying the lowest wages may be in a few years paying the highest. The wheel of opportunity is slowly but continually turning. The old adage of "three generations from shirt sleeves to



shirt sleeves" has not yet disappeared from our economic order of things.

There are good opportunities in every line of business; there are opportunities in almost every locality; there are opportunities with every employer and every profession. Whether or not one makes the most of these opportunities, depends almost wholly upon oneself. Our best opportunity, to-day, is more than likely in the industry in which we are working, with the employer with whom we are working, in the city where we are working, or in the profession in which we are engaged. Success in an industry, with the employer, in a city, or with a profession, depends upon the individual more than any one of these other factors.

### *Vocational Guidance*

A few years ago there was a lot of talk about vocational guidance, but we do not hear so much about it to-day. Like many other things it was overworked. It is true that there are four entirely different classes of occupation, such as (1) the pro-

fessions, including medicine, law, ministry, and journalism; (2) mechanical lines, including engineering, machinery, manufacturing, and building; (3) salesmanship, including merchandising, tending stores, selling on the road, and advertising; (4) agriculture, including farming, forestry, stock raising, horticulture, and various other outdoor pursuits. But this classification is wholly adequate for an extensive vocational study, and is sufficient for every one's purpose.

It is true that there is a woeful lack of intelligent vocational guidance. It is also true, however, that the very touchstone of any test is to be honest with oneself when considering one's adaptability or inadaptability for any particular position considered. A young man who dreads meeting people should not become a salesman. A man who dreads details should not become a bookkeeper. A man who is chicken-hearted should not become a doctor. A man who dislikes appearing in public should not become a public speaker.

If, however, the man who does like to meet people and who is eternally optimistic wants to be a salesman, it makes very little difference what he sells so long as it makes the great mass of people healthier, happier, and more prosperous. The thing which is easiest to sell, to-day, will be the hardest to sell a few years hence, and the thing that is the hardest to sell, to-day, will be the easiest to sell a few years hence. If a man likes details, if he likes figuring, if he likes to pore over accounts, if he thoroughly enjoys doing these things, then he should become a bookkeeper or accountant. If a man enjoys ministering to people's ailments he should become a doctor. If a man enjoys speaking in public and continues to practice it, he will become a public speaker.

In fact, the solution of not only our individual success, but many of our industrial ills lies in finding what each of us likes to do; in finding the opportunity to do it, and then doing it with all our might. The fact is, that if any one has



given considerable time to any employer, that one will probably be better off to stay with that employer. If any one has devoted considerable time to a given industry that one, no doubt, will be considerably better off to stay with that particular industry. If any one has established a reputation in a given city, his chances of success should be greater in that city where a good reputation has been established than in unknown fields. If any one has devoted considerable time to a given profession, his opportunities are greater in that profession about which he has some knowledge than in some other profession of which he is uninformed. Our individual success lies in the thing that we are now doing. It is based upon how faithfully we prosecute the work at hand.

### *Whose Opportunities are the Greatest?*

Sometimes we hear the remark that the opportunities for the young man are not as great, to-day, as they were years ago. Statistics show that this statement is not only absolutely wrong, but that the op-

portunities are even greater, to-day, than they were years ago. I will go a step farther and say that the opportunities for the poor man's son are even greater than those of the rich. Let me illustrate:

In connection with the study of America's greatest industries already referred to, I became interested in the history of the men who were at the head of these industries. There were seventy especially prominent. This study showed that America's greatest railroad builder, Edward H. Harriman, was the son of a minister; that America's greatest magazine editor, George Horace Lorimer, was the son of a minister; that America's greatest administrator, Herbert Hoover, was the son of a minister. The study also showed that E. H. Gary, H. C. Frick, John D. Rockefeller, Sr., and F. W. Woolworth were all sons of poor farmers.

Were the fathers of our great captains of industry college graduates? No. Were the fathers of these great captains of industry bankers? No. Were they rich manufacturers and merchants? No.

These great captains of industry, these men who have built America's greatest railroads, factories and stores, are the sons of poor parents,—the sons of farmers and ministers and wage-workers. The statistics of this particular study even show that the great majority of these industrial builders were the sons of parents whose income averaged less than \$1,200 a year. If the captains of industry of the past quarter of a century came from the ranks of the masses, the captains of industry of the next quarter century are going to come from the same source. The bankers, manufacturers, and merchants of the next generation will not be the sons of the bankers, manufacturers, and merchants of to-day. The bankers, manufacturers, and merchants of the next generation will be the sons of the farmers, professional men, and wage-workers of to-day.

### *Uphold the Present Order*

This will not be due to any revolution or social upheaval. Socialism, Bolshe-



vism, or any other kind of "ism" is not going to help you or me in our individual struggle. These theories are designed to help only the politicians who advocate them. The present form of our government which has made America so successful will also make for your and my individual success. The advocates of any other economic order must not only prove that our present economic system is unworkable, but that they have a better and more practical system.

Why is it that the boys and girls of the so-called employee classes become the industrial leaders of America? It is because individual success depends upon certain qualities. It is because those certain qualities are most easily developed in the home of a working family. When any great captain of industry wants a young man to represent him he seldom goes to the home of the rich, but rather to the home of the wage-worker.

One of the saddest features of the present teachings of trade unionism is the false doctrine that labour no longer has

any hopes of developing into the employer class. Surely organized labour is making its saddest mistake in accepting this position as final. Evidence of this may be found in John Mitchell's book on "Organized Labour." In that book Mr. Mitchell begins with this statement: "The average wage-earner *has made up his mind that he must remain a wage-earner.* He has given up the hope of a kingdom to come, where he himself will be a capitalist, and he asks that the reward for his work be given to him as a workingman." Statistics show that this need not be the case. The opportunities for the wage-workers are as great to-day as ever, if they will only seize these opportunities and develop themselves so as to assume greater responsibilities. The most disastrous thought that one could ever hope to entertain would be, to think that he is always going to remain just as he is with no hope of further development.

When a young man goes to college he receives a great deal of hazing in his

freshman year. Why does he take this hazing in a good, manly spirit? Simply because next year he will be a sophomore and will administer the same dose to the then blossoming freshmen; but, if, when a young man once became a freshman he always remained a freshman his attitude toward the hazing or other inconveniences of the freshman year would be very different indeed. It seems to me the same analogy is applicable in the case of labour. If wage-workers believe they are doomed ever after to remain in their present position without hope of advancement they will try to get everything for their class possible to obtain. The teaching that should be disseminated to the great mass of people is not that there is a barrier in their way or a roof over their heads, but that the opportunities are great for those who will seize them and those who will pay the cost price of success.

### *What is Success?*

The concept of individual success varies, directly, with the number of people



considering it. The term hardly means the same to any two people. Individual success does not necessarily mean monetary accumulation, but on the other hand it does not exclude it. Ask the dyed-in-the-wool American business man what success is and he will say that it is the ability to accumulate wealth. Ask the biologist what success is, and he will say that it is the responses to the various stimuli. The minister will say that he is successful who lays up his treasure where thieves cannot steal or moths corrupt. No attempt will here be made to define what is meant by individual success. If you have some well-thought-out, unselfish standard or goal and maintain that standard so that you reach the goal, then you have achieved your individual success.

## II

### OBSTACLES ON THE ROAD OF MAKING GOOD

SINCE there are so many gradations in the business world, every one engaged in industrial pursuits, from office boy to president, may be considered to be in business. All are, in fact, business men. An efficient and intelligent office-boy plays a very important part in business affairs. The presidents of many corporations are paid employees. Therefore, discussions of making good in business apply just as much to individual success as to successful business enterprise. The early part of this book will treat more particularly of making good, the obstacles in the path of individual success, and the constructive aids along the way. The latter part will apply these

constructive aids more generally to the larger phases of business activities.

Each and every one of us has been put in this world for some purpose. There is some attainable goal toward which all are travelling. Whether we arrive at that goal or not depends wholly upon ourselves. Men are born with a certain intellect or talent the development of which is unlimited and almost wholly within their own power. The psychologists tell us that we are born with a certain amount of intellect. We perhaps cannot add one iota to this intellect, but that intellect with which we are born is capable of being developed.

### *Obstacles*

*John* The Bible gives us a parable of a man who before travelling into a far country called his servants together. Unto one he gave five talents, to another two, and to another one, each according to his several ability. The one who received five talents developed his talents one hundred per cent, but the man who re-



ceived one talent felt that he had accomplished quite a little to preserve that one talent and present it to his lord intact. At the same time he took that opportunity to proclaim that he knew his lord was a hard taskmaster. For this wicked slothfulness his lord rebuked him and taking the talent from him gave it to the servant who had ten. The development of the talents given us or the intellect with which we are born is one of the first steps toward our goal of making good. The road to this goal of making good is beset with many obstacles. These obstacles are mostly imaginary. They are mostly fears. They are almost all subjective ideas. Strange as it may seem an imaginary obstacle has just as much of a deterrent effect upon the individual as if it were a real obstacle. Were it not for this, obstacles would not be here mentioned at all.

The most frequent obstacles, imaginary or real, met with are (1) the erroneous belief that every man who has accomplished great things is a genius; (2) lack

of self-confidence; (3) a fear of failure; (4) blaming the economic order for our inability to make good; (5) trusting to luck; (6) waiting for an opportunity; (7) the doctrine that is being taught to the great mass of wage-workers that they no longer have any hope of advancement; and (8) inherited wealth. There may be numerous other hindrances in your way of making good, depending upon the activity of your imagination, but for the purpose of discussion these may well suffice.

### *Misconcept of Genius*

One of the greatest drawbacks, hindrances, or impediments to the advancement of a young man to-day is the erroneous conception or belief that every successful man is a genius or something akin to a superhuman being possessed with qualities, attributes, and intellect that an average person can never hope to attain. Any one should hesitate very much to minimize the accomplishments of our great men. Edison, Bell, the Ste-

phensons, Watt, Ericsson, Crompton, Hargreaves, Fulton, and numerous other inventors have produced more wealth with their particular contributions to the welfare of society, than thousands of manual workers accomplish in thousands of years,—but that is beside the point. Were these men geniuses? Yes, if by that term we mean a man who can do three men's work. Elbert Hubbard touched the point when he said, "Genius is a matter of energy properly focussed, concentrated, and utilized." If you should look into the lives of any of our great inventors or captains of industry you would find the outstanding feature of their career to be hard work. If there is a superhuman power with this class of individuals, it is the ability or capacity for unceasing, untiring, concentrated effort.

One of the best sources of inspiration available for the young man, to-day, is the lives of our captains of industry and our inventors. Study along this line shows that these great men have risen from the lowly walks of life. They come from the



so-called common people, and no matter in what walk of life, whether in music, art, literature, invention, or industry, any man who has made a marked success in any of these fields has done so through hard work. *Their accomplishments should not deter us, but should stimulate us to achieve!* Read the lives of some of these great men and verify this for yourself, and if you find that they achieve through hard work, go thou and do likewise.

William James makes the point in this statement: "The plain fact remains that men the world over possess amounts of resource which only very exceptional individuals push to their extremes of use." You have the resource, you have been given talent, you have a certain amount of intellect. Will you increase the talent, develop the intellect, or push your resource to its extreme use?

### *Lack of Confidence*

Closely allied with this erroneous conception of the term genius is our lack of

confidence in ourselves. This lack of confidence is oftentimes evidenced through our unwillingness to use our own minds. There have been a number of experiments along this line, some of them among the students receiving executive training in the Babson Institute. For instance, in raising a question for debate students invariably ask where they can find something written on the question? Let us assume that the question is, "Resolved: that the Federal Government should own and operate the railways." The usual method of procedure in preparing for such a debate is to read extensively. Few prefer a thinking process, although able to think clearly and well. Give a student a blank piece of paper and pencil, then put him in a room alone with his thinking power. Tests show that the average advanced student, twenty-one years of age or over, can think out originally from fifty to seventy-five per cent. of the pros and cons on the question, without reading a single line.

What benefit does the student derive

from the standpoint of governmental ownership to know that there are so many thousands of miles of railroad in the United States; to know that there are so many millions of employees; or that there are so many millions of dollars invested? The exact number of miles, employees, or amounts of dollars matters very little. Any one knows that there are a great number of miles of railways in the United States. Almost any one knows that the number of employees must be considerable, and almost any one knows that the amount invested must be large indeed. Then the question resolves itself into the control of this vast number of miles; into the management of the great number of employees; and into the financial arrangements for a large investment of money.

With those rather indefinite terms the student can think out the problems involved under individual ownership or federal ownership. Then, after having thought out the pros and cons, it is ample time to read. Then, also, how much more



proud the student is of himself when he finds that Dr. Johnson makes the same point that he has made,—or that Dr. Ripley agrees with him on a certain question of finance. It is then that the student begins to realize that he has a mind of his own capable of utilization. That man who fears to use his own mind is stumbling over an imaginary obstacle on the road to making good. The man that succeeds is the man that thinks he can. "Success comes in cans, failures in can'ts," and some one has well said:

"If you think you're beaten, you are;  
 If you think you dare not, you don't;  
 If you'd like to win, but you think you can't,  
 It's almost a cinch you won't.

"If you think you'll lose, you're lost;  
 For out in the world we find  
 Success begins with a fellow's will;  
 It's all the state of mind.

"If you think you're out-classed, you are;  
 You've got to think big to rise;  
 You've got to be sure of yourself before  
 You can ever win a prize.

“Life’s battles don’t always go  
To the stronger or faster man;  
But soon or late the man who wins  
Is the one who thinks he can.”

*From “ Boston University News.”*

### *Fear of Failure*

Fear of failure is another obstacle on the road to making good upon which many a toe has been stubbed. Did you ever stop to realize that the only thing which cannot fall is a worm,—or that a man who never makes any mistakes never makes anything else—except trouble? Life would surely be of the most humdrum sort if there was absent from all of our adventures the least thrill of a possible failure. Failure is a purifying process. It forces a trial balance of our efforts. Failure properly utilized is a much more wholesome stimulant than anything existent even prior to the eighteenth amendment.

The general manager of one of the leading railway systems of the United States was once discharged from a posi-

tion as yardmaster paying him ninety dollars per month because of his lack of ability to perform the work. Henry Ward Beecher stood sixty-fourth in an examination in grammar. The boy who ranked first in the same class grew up to be a barber in Atlanta, Georgia. Mr. Beecher failed in many of his efforts, but he eventually achieved his marvellous success as a preacher of the gospel. Out in Florence, Arizona, is a life-terminer in the state penitentiary who writes articles on Business Letter-Writing that are read by hundreds of our leading business men. This man has been reared inside the walls of the penal institutions of the country. He was in a reform school early in life, served five years in Ohio State Penitentiary and later, received a life sentence in the West. He has been redeemed through work and even though behind prison-walls, he seals himself up in the envelope, as he expresses it, and reaches the heart of the business world. You may fail a half dozen times and eventually succeed if you are willing to work and think.



Hard work, consecutive thinking, and the exercise of judgment are the things that help a man make good.

*Blaming Economic System*

If you visit Boston Common on some nice sunny spring Sunday afternoon you may hear a polyglot of orations blaming our social economic or political order for the failures of the great mass of people. It is rather paradoxical that Joseph Fels, manufacturer of Fels-Naptha soap, once blamed the same social, economic and political order for his marvellous success! The same energy, time, and effort spent in blaming our economic order devoted to making good would achieve the desired result.

Men are successful because they have certain six characteristics referred to in a later chapter. These soap box orators seem to think that men are successful because they have money or because an economic system favours them. The causation is just the other way. Men are not successful because they have wealth.

They have wealth because they are successful. Men are not successful because the economic order favours them, but they are successful because they take advantage of the opportunities existing under the economic order. Sometimes the erroneous concept of the causes of success finds its way into the laws of our land. This is evidenced by the various hindrances that are placed as distinct barriers in the path of business. But even laws cannot prevent men from being successful unless those laws can obliterate the intellect from the mind of man. So far laws have been unable to annul intellect or its results;—and, the result of intellect is success.

### *Trusting to Luck*

Even in this day of developed intellect and enlightened civilization there are those who are trusting “luck” to make good. This, that, or the other man who has made good is “lucky.” In every game of chance the odds are against the player. With the odds against the player, if he

play the game long enough he will fail. Likewise if one trusts to luck he is doomed to fail. A little scrap of a poem reads:

“If we could see the toil and turmoil  
That awaits us down the road;  
If our lips could taste the wormwood,  
If our backs could feel the load;  
Would we spend the day in wishing  
For a time that ne’er could be;  
Would we watch with such impatience  
For our ships to come from sea?”

Yes, the surest way to insure toil and turmoil is to watch with impatience for our ships to come from sea. Luck is not one of the foundations of making good. It is true that there are those who at times seem lucky. It is true that luck sometimes places men in good positions; but it is also true that something other than luck is required to hold the position. In other words, luck may place a man in a good position, but it cannot keep him there.

### *Lack of Opportunity*

If, instead of luck, we say opportunity

that is more logical. Of course, successful men often make their opportunity. However, when one considers the great undeveloped resources of men and the latent power of labour, these resources and power that are dormant because they have not been given the opportunity to develop, he is inclined to pin his faith to the belief that "many a flower is born to blush unseen."

A certain man is sitting at the same desk to-day at which he sat in 1872,—a man who is mentally, morally and physically fit in every way. He is doing the same detailed work that he did fifty years ago at approximately the same "real wage." Another man that went through the same office has in a period of five years gone from a hundred dollar clerk's position to a \$20,000 managerial position with a transportation company. Luck may have had something to do with the selection of the latter man, but it had absolutely nothing to do with his making good in the position. The former man surely did have the opportunities of the



latter. While we should not slacken our pace to the least degree, I beseech the employers of this land periodically to look over their plants with a view to finding men in the ranks of their labourers for the specific purpose of giving them an opportunity to develop themselves.

### *A Lesson in Algebra*

The captains of industry to-day came from the ranks of the wage-workers of yesterday. The captains of industry to-morrow must come from the ranks of the wage-workers of to-day. Opportunity to develop is the *sine qua non* of making good. Make your own opportunity if you can. A great many progressive employers are awake to the need of giving you the opportunity. Coöperation in this between employer and wage-worker is an important factor in our development. A much more important factor is your ability to recognize an opportunity when it arrives. Opportunity taps once at every man's door.

“Opportunity tapped at a door  
With a chance for the brother within;  
He rapped till his fingers were sore  
And muttered: ‘Come on, let me in.  
Here is something I know you can do,  
Here’s a hill that I know you can climb.’  
But the brother inside  
Very quickly replied:  
‘Old fellow, I haven’t got time.’

“Opportunity wandered along  
In search of a man who would rise,  
He said to the indolent throng:  
‘Here’s a chance for the fellow who tries.’  
But each of them said with a smile,  
‘I wish I could do it, but I’m  
Very busy to-day  
And I’m sorry to say  
That really I haven’t got time.’

“At last Opportunity came  
To a man who was burdened with cares,  
And said: ‘I now offer the same  
Opportunity that has been theirs.  
Here’s a duty that ought to be done,  
It’s a chance if you’ve got time to take it.’  
Said the man, with a grin,  
‘Come along, pass it in!  
I’ll either find time or I’ll make it.’

"Of all the excuses there are  
     By which this old world is accursed,  
 This 'haven't got time' is by far  
     The poorest, the feeblest, the worst.  
 A delusion it is, and a snare;  
     If the habit is yours, you should shake it,  
     For if you want to do  
     What is offered to you,  
 You'll find time to do it, or make it."  
     —*From "Commerce and Finance."*

Don't wait for the opportunity. The only kind of situations and positions that come to one who waits are unpleasant situations and embarrassing positions—if one waits long enough. Once for my own amusement I reduced making good to an algebraic equation. The result is as follows:

Ability — Opportunity = Disappointment.

Opportunity — Ability = Failure.

No Ability + No Opportunity = Stagnation.

Ability + Opportunity = Success.

The above algebraic equation clearly shows that ability is the basis of all suc-

cess. It also shows that along with ability must go opportunity before success can be consummated. If one has ability but never gets the right opportunity to exploit that ability it is not failure but disappointment. There are thousands of people with ability along certain lines who never get an opportunity to use their ability. There are thousands of people with marked ability who on account of the obstacles on the road to success never develop the ability to its maximum. Failure comes to those who get the opportunity but have not the ability to fill the position; while those who possess no ability and never get an opportunity live in ignorant contentment.

### *Labour Disqualifying*

Already mention has been made of the position of organized labour. Of course all labour leaders do not make workers believe that it is impossible for them to develop as individuals. But, whenever they do the idea is entirely wrong. Instead, every worker should know that it



is possible for him to become an employer, that it is possible for him to become even a capitalist, and that all these things are possible under our present social, economic, and political order. Not only possible, yea, they are all stimulated by our present system. Hence, labour leaders should not teach labour that it must always remain labour. The possibilities of the individual of development should be inculcated in the minds of the great mass of workers. Each man should know that there is an attainable goal; that he has latent power; that he has talents; that he has intellect; that all of these things are capable of development; and that the possibilities of developing them lie almost wholly within himself.

### *Inherited Wealth*

Inherited wealth should also be tabulated more as a hindrance than as an aid. A man once said: "My father left me a great inheritance." The truthfulness of his statement was apparent when he continued by stating that his father left him

good health and poverty. Making good comes from religion and work. Those factors are developed in humble homes. All hindrances, both imaginary and real, properly considered by each individual may be utilized as aids rather than obstacles. Success comes not from the advantages that we have but from the obstacles which we overcome. If you are really in earnest about making good, answer these questions: Have you confidence in your ability to succeed? Upon what do you base that confidence? Are you conscious of any faults that may interfere with your progress? Can they be overcome? What are you doing to overcome them?

Some one has said that in order to achieve success you must keep your eyes on the stars, your ear to the ground, and your nose on the grindstone. I have never been quite able to figure out the physical contortion necessary to perform this feat. Nevertheless, if taken in separate doses the statement has a meaning.

### III

#### THE SIX "I'S" OF MAKING GOOD

**H**ERE are numerous statements relating to "The Way to Wealth"; if there is a new idea in them, help yourself:

#### *The Way to Wealth*

"God helps them who help others.

"Industry pays debts, while despair increaseth them.

"If you would have your business done, go; if not, send.

"Experience keeps a dear school, but fools will learn in no other.

"Dost thou love life, then do not squander time, for that is the stuff life is made of.

"Sloth, like rust, consumes faster than labour wears, while the used key is always bright.

"Lost time is never found again; and

what we call time enough always proves little enough.

"He that hath a trade, hath an estate; and he that hath a calling, hath an office of profit and honour.

"Never leave till to-morrow that which you can do to-day. One to-day is worth two to-morrows.

"The eye of a master will do more work than both his hands. Keep thy shop and thy shop will keep thee.

"Silks and satins, scarlet and velvets, put out the kitchen fire. Fools make feasts, and wise men eat them.

"Pride breakfasted with plenty, dined with poverty, and supped with infamy. Lying rides upon debt's back.

"Constant dropping wears away stones; and by diligence and patience the mouse ate in two the cable; and little strokes fell great oaks.

"A man may, if he knows not how to save as he gets, keep his nose all his life to the grindstone, and die not worth a groat at last. A fat, well-provisioned kitchen makes a lean will.

"What maintains one vice would bring up two children.



“Want of care does us more damage than want of knowledge.

“If you would have a faithful servant, and one that you like, serve yourself.

“Many without labour would live by their wits only but they break for the want of stock.

“The sleeping fox catches no poultry, and there will be sleeping enough in the grave.

“Not to oversee workmen is to leave them your purse open. A little neglect may breed great mischief.

“Industry need not wish, and he that lives upon hope will die fasting. There are no gains without pains.

“If you would be wealthy, think of saving as well as of getting. Who dainties love, shall beggars prove.

“Diligence is the mother of good luck, and God gives all things to industry. Then plow deep, while sluggards sleep, and you shall have corn to sell and keep.

“Employ thy time well, if thou meanest to gain leisure; and since thou art not sure of a minute, throw not away an hour.

“Creditors have better memories than debtors, creditors are a superstitious sect, great observers of set days and times.

Rather go to bed supperless than rise in debt.

"Sloth makes all things difficult, but industry all easy. He that riseth late, must trot all day, and shall scarce overtake his business at night; while laziness travels so slowly, that poverty soon overtakes him. Drive thy business, let not that drive thee; and early to bed and early to rise, makes a man healthy, wealthy and wise."

### *Success Qualities*

Books on success give a multitude of requisites. Some of these qualities are address, appearance, neatness, energy, vitality, speed, concentration, observation, reason, application, diligence, accuracy, punctuality, economy, order, system, knowledge, intuition, culture, prudence, grit, tenacity, tact, diplomacy, thoroughness, initiative, adaptability, optimism, cheerfulness, reserve, enthusiasm, sincerity, sympathy, self-control, ability as a detailist, ability as a generalizer, obedience to authority, ability to know men, ability to get along with men, self-confidence, etc., ad infinitum.

Careful study, however, shows that all of these may be classified under one of six fundamental principles. Strangely enough the entire six begin with the letter "I." These six "I's" include all the terms enumerated above. Thus the entire process of making good may be reduced to these six fundamentals. Let us consider them in order.

### *1. Industry*

The greatest universities in America are not Harvard, Yale, Columbia, Princeton, Michigan, Chicago, or California. These universities stand high in the development of certain faculties. But the graduates from these institutions have been successful because they also graduated from one of three still more famous institutions; namely, the wood box, the dish pan, or the corn field. The greatest universities in America are the wood box, the dish pan, and the corn field. These institutions have graduated the men and the women who are making America today. Why? Because the wood box, the

dish pan and the corn field have taught young men and women to be industrious.

A chap in the South wrote a merchant of his city complaining about his high prices. The reply this chap received to his inquiry was sent to me for statistical verification. It was as follows:

"There are three hundred and sixty-five days in the year. Of these three hundred and sixty-five days the great majority of us work only eight hours per day. This is one-third of the time or approximately one hundred and twenty-one days. There are fifty-two Sundays in the year and fifty-two Sundays subtracted from one hundred and twenty-one working days leave sixty-nine working days. Then the great mass of us get Saturday afternoons off. This is the equivalent to twenty-six days throughout the year. Twenty-six days subtracted from sixty-nine working days leave forty-three working days. Then there are two weeks' vacation in the year. This is fourteen days and the fourteen vacation days subtracted from the forty-three working days leave



twenty-nine working days. There are also during a year twelve holidays, and the twelve holidays subtracted from the twenty-nine working days leave seventeen working days. We all receive one hour for lunch each day. This is equivalent throughout the year to thirteen days. That is, thirteen lunch hour days subtracted from the seventeen working days leave four working days. Now, one knows that there are four Jewish holidays during the year. Four holidays subtracted from the four working days leave no days! Then, why the devil do you ask why prices are high and business is rotten? ”

Eliminating duplications, the fact remains that the great mass of us work only twenty-four per cent. of the time.

## *2. Integrity*

Industry of itself, however, never gets anybody anywhere. Most animals work a good deal harder than you and I work. The inhabitants of the world during the last million years have always worked.

They have been compelled to work to keep from starving and freezing. Why is it that after these millions of years of work it is only within the last few centuries that people have got anywhere and become healthier, happier, and more prosperous? The reason is that only recently have men learned that with Industry there must go Integrity. The animals are industrious but they are not honest. They steal, they deceive, they refuse to respect the rights and property of others. They are animals and always will remain animals. Civilization really dates from the time that people began to respect the rights and property of others. Hence, the second "I" of success is Integrity. And let me say right here that the real cause of business depressions is the temporary neglect of Industry and Integrity. While our nation's resources are greater than ever and the world's need for goods is more than ever, factories close down because men forget those common virtues of Industry and Integrity which are the basis of prosperity.

### 3. *Intelligence*

But Industry and Integrity alone cannot accomplish much without Intelligence. To make good in business, young people must make good in school and college. Next to fathers and mothers, our best friends are our school teachers and college instructors. The statistical relation of education to success as will be explained later warrants making the third "I" of success, Intelligence.

Intelligence does not mean mere book learning. A cyclopedia is not intelligent. A phonograph is not intelligent. A great library is not intelligent. Intelligence is judgment, which is the ability to think clearly, justly, and courageously. Intelligence is more a product of honesty and courage than of information and diplomas.

When Solomon wrote on this subject of making good in business, he continually referred to wisdom,—the need of wisdom and of more wisdom. Said he:

"Wisdom is as good as an inheritance.

. . . Wisdom is a defence. . . .  
Wisdom preserveth the life of him that hath it."

"Wisdom is the principal thing, therefore get wisdom; and with all thy getting get understanding. Exalt her and she will promote thee; she will bring thee to honour."

"To know wisdom and instruction; to discern the words of understanding; to receive instruction in wise dealing, in righteousness and justice and equity."

Remember that this was before the days of colleges or even schools. Solomon referred to intelligence, the art of correctly judging men and events. He had in mind that power of forecasting the future by the past, of profiting from experience, and of using the forces of nature as helps instead of obstacles. This intelligence is greatly needed to-day by all who hope to make good in business.

#### 4. *Initiative*

When I graduated from Massachusetts Institute of Technology it was difficult to



get a job. I answered many advertisements but got no replies. Most of the advertisements were signed only by post-office box numbers so the advertiser would not be bothered by the applicants. (At this point let me give you a little inside information. Whenever advertisements for help are signed by the post-office box numbers that is an indicator that business is dull and there are many applicants for each position. When this is true you will not be able to bargain on the wage problem. When advertisements for help are signed by the name of the firm, you can rest assured that business is good and the applicants are few. When advertisements are signed this way you get an interview with the would-be employer and you can bargain on the wage problem to an advantage.)

The advertisement of the position I was seeking was signed by post-office box number. Finally I got tired of writing letters to which no replies were received, and so went to the post-office to find out who owned Box 1070, which was

the signature of an advertisement of a bond house wanting a statistician. The post-office officials refused to tell me. I then went to the box and waited until some one came. I followed that some one to his office, went in, and applied for the job. The head of the firm looked me over and said: "Young man, here are over a hundred applicants for this job; but I am not going to take any of them. I am going to try you because I know you have initiative."

One may be happy if he has only Industry and Integrity and Intelligence; but he will never get very far in business unless he also has Initiative. Initiative is to business success what gasoline is to an engine or coal to a locomotive. Men succeed in business because they originate and do things before being told to do them. Initiative is the driving power of life, and the fourth "I" of success.

### *5. Intensity*

Down in Washington they have a lens about three feet in diameter which concen-

trates the sun's rays on a point as big as a pencil. The last I heard they had great difficulty to measure the heat at this point because the rays, when concentrated, are so hot that they melt every thermometer used to measure it. Just think, this is only three feet of sunshine such as we have upon our bodies every day and do not feel; but this three feet becomes an all powerful heat when intensified by concentrating it to a small point.

My start in life began with a lecture which Booker T. Washington used to give on the subject of Intensity. His point was that he could make the poorest black man prosperous by teaching him to do one thing more intensely than anybody else in the community. Booker Washington went on to show how—for instance—if a man would study only “apples” but know more about apples than any one else in the county, his success was assured. This suggests that the great trouble with people is that they are being taught too many things and are not specializing enough. Study convinced

me that that is absolutely true and from that day on I devoted myself to statistics.

If you press your thumb on your cheek, it doesn't hurt you; if you press the point of a lead pencil on your cheek, you feel it keenly; while if you press a needle point on your cheek, it pierces the skin and pains you. In each instance the pressure is the same. In the case of the needle the pressure is concentrated on a small point, while in the case of the pencil or the thumb the pressure is spread over a large area.

It is the same with succeeding in business. To be successful, young people must specialize in something. It may be apples or bricks or clocks or pencils or clothing or shoes. By the way, if you specialize in shoes be content to take only a part of the shoe, such as the sole, the heel, the counter, the shoestring, or the eyelet. It would be very difficult for any person to know all about shoes, but one could very easily become a specialist in counters, heels, soles, eyelets, or shoestrings. The



fifth "I" of success is Intensity, concentration or specialization.

### 6. *Inspiration*

A half century ago a young newspaper reporter came from the Golden West to establish a news distributing office in New York City. He learned that news getting and news distributing were already pretty much provided for. After a few weeks of struggle this young man gave up in despair. He closed up his office preparatory for the return to California. Before he left New York he visited the East Side. There he saw the evidences of city poverty. The crowded tenements, and inconveniences of that mode of living made a lasting impression upon the young man. The next day he strolled up Fifth Avenue. There he saw evidences of great wealth, luxury, and comfort. An idea came to him: "Why with this increase in wealth, comfort and luxury for some, is there the increase in poverty and suffering for others?" Why should progress be coupled with poverty in such

a manner? That young man decided there and then that he would discover the cause. He returned to his home state, where he devoted six years to the most intensive study of economics. He even sold the carpet out of his living-room to complete the work. After the result of this six years of study and investigation was completed no publisher would print it. Eventually he had to put up the necessary amount to guarantee the cost of the plates. But the work was printed and Henry George's book on "Progress and Poverty" has been translated into almost every language.

The point that I want to make is this. Henry George had the various qualities above enumerated that make for success. As he walked up Fifth Avenue revolving the problem of progress and poverty he got an Inspiration. That Inspiration stimulated his Industry, Integrity, Intelligence and carried him through the six years of most intensive work. A great many of us may have the five attributes of success above enumerated. If with

those attributes we get Inspiration then our quota is complete. Inspiration stimulates our other faculties, spurs us on to great achievements. It is because of this dynamic influence that I make the sixth and last "I" of success, Inspiration.

*Development of the Six "I's"*

How shall we develop these six "I's"? How shall we educate our children to develop them? This is the most difficult part of our problem. Every parent knows the difficulties in training children. Talking and scolding do little good. The greatest factor is the power of example, and yet we cannot make a plant grow simply by setting it a good example. It needs a good soil in which to grow and much sunshine. In the same way these six "I's" of success need a good soil in which to grow and much sunshine.

What is the needed soil? It seems to me that the needed soil is good health and good habits. There are instances where a person with unclean habits or unkind habits has been successful, but such in-

stances are few. Get the young people to form good habits and the chances are very much more in their favour. Hence, the importance of regular meals, sleeping with the windows open, taking good care of the teeth, and of saying only kind things to and of others.

*What is a Habit?*

Yes,—what is a habit? In my hand I may hold a piece of paper. When folding the piece of paper the first time it may fold at any point. After I have folded it once it will always fold in the same way no matter how often it may be flattened out. It is the same with life. We are continually making creases or habits. Every time we make a good crease or good habit it is easier for us to do the right thing next time. Every time we make a wrong crease, it is harder for us to do the right thing next time. Life is largely a matter of habit. In order for young people to be successful, in business, they must form good habits. In order for them to have good habits, we older



ones must set them a good example. Those who are unsuccessful usually have poor habits; while those who are successful, can, in many instances, thank their good habits for the success.

### *Importance of Religion*

A plant might be in the best soil and would never amount to anything if it had no sunshine. It is the same with our young people. The cannibals have good health but they all lack "something." What is it that the cannibals lack? It is religion. Religion bears the same relation to success that sunshine bears to a plant. If statistics have taught me any one thing, it is the truth of that statement of Towson's; namely: "The biggest thing in business is not machinery, materials, or markets; but rather men. The biggest thing in men is not body, mind, or muscle; but soul. Wages, prices, and conditions can be adjusted; but attitudes, motives and relationships can only be converted." Health, education, and money may get young people diplomas, but only

religion causes them truly to benefit from that Industry, Integrity, Intelligence, Initiative, Intensity, and Inspiration, which bring true success.

If you are endowed with the six "I's" of success and all of these are bathed in the sunshine of religion there is very little else that I can say to you. Success is yours for the asking!

## IV

### THE WOMAN'S PART IN THE SIX "I'S"

**W**HETHER in business directly as an industrial worker, or indirectly as the wife of a business man, or his employee, the six "I's" of success are just as essential for the woman as for the man, and the qualities thereby developed in her will make of her either a successful business woman or a successful wife.

During the World War experience of all countries has shown that women were ready and able to take the place of men. To-day it is recognized that there is hardly a position that women cannot fill. I called on a large safety razor plant one day to interview the advertising manager. It appeared that for a number of years the advertising manager of the plant had

been a woman. For years she has told the men of this country how to shave with a safety razor. It is also said of one of the largest tire factories of the country that one of its most catchy designs for a tire advertisement had been designed by a woman.

On the other hand, the economic and social order that has made it necessary for her to earn her living must be deprecated. Statistics will show that the woman's place is in the home, that she was intended to be the wife, the mother, and the home builder. However, in many instances economic expediency has oftentimes placed her in industry before she starts the home building.

### *Woman's Influence in Business*

While engaged in industrial pursuits her success depends wholly upon the qualities discussed in this book. The woman's part in business has a twofold aspect: first, the part that she plays as an industrial worker and, second, the part that she plays as the wife of an industrial worker.



This statement does not mean that all wives were formerly industrial workers, but rather that the great majority of women occupy one or the other relationship. Her influence, however, on business in general and upon some man's success in particular is a factor which is more important than is often appreciated. It is the influence as the helpmate of man that it is well to discuss briefly.

### *Home Life*

The home life of a man is reflected in the work he is able to do at the office. A smooth running home with every detail taken care of offers no distraction to business at the office. A home life which is constantly upset by distractions of one kind or another is always reflected in lack of concentration at least and eventually lack of interest at the office.

It is evident in a great many business houses that an important employee or minor executive is given more favourable consideration in applying for a position if his wife is the type of woman who will

help him and not hinder him in business relations. Other things being equal, a man with a sick wife, a social butterfly, a poor manager, one with dependent relatives cannot be expected to devote his undivided attention to business as can the man who has a wife who is thoroughly well, has no unreasonable social aspirations, or is not handicapped by dependent relatives. More and more it is coming to be realized that in hiring a man his wife should be taken into consideration. The man with his ability is the factor you want in your business, but a normal, healthful home life is conducive to greatest efficiency. As a wife she should bring the benefit of her experience to aid her husband in his industrial pursuits.

### *Woman's Business Experience*

While theoretically one dislikes the economic order that makes it necessary for a woman to work in industry, one cannot close his eyes to some of the practical benefits derived from it. A year or so of business experience is ideal preparation

for a woman's more important work of a home manager. Having earned a dollar she knows what it costs and does not run to the reckless extravagance which wrecks many homes. The woman who has never worked is handicapped in judging values. Incidentally, the wife who has known the business world will not bother her husband with the petty annoyances of the household when he comes home at night. She will understand him and his problems and can do much to encourage and help him. A wife may make or break her husband as far as his business success is concerned. It is safe to say that few of our industrial leaders to-day would be where they are without the help and encouragement of some good woman who understands their problems and trials and who has done her share.

There may be another justification for the woman in industry—economic expediency. Every girl should master some form of useful work for the simple reason that it will give her the independence which she can get in no other way. If in

years after married life she faces an emergency which throws her back upon her own resources, she is not an object of charity, but a capable woman who can earn a living for herself and children.

*"I Will Make Him a Helpmeet for Him."*—Gen. 2: 18.

Despite these factors statistics can show that the proper sphere for woman is in the home and even though there are 11,000,000 in industry a very few of them are permanently industrialized. A great number of these will become wives and the managers of homes. The careers of the men are to a considerable extent in the hands of their wives. A good wife and well-kept house and some healthy children are of the utmost importance in enabling one to develop the six "I's" of success and to live the normal, wholesome, upright life.

Not all men are in business for themselves. A great many men work for others. The woman's part is just as important whether the man work for him-



self or for an employer. The wife may help a man make good with his employer. This she can do by keeping informed of what her husband is doing. She should not do this from an angle of criticism or prying into her husband's business. She should keep informed of his business so as to offer constructive suggestions and to give encouragement. It may not be the sociable thing to talk shop at home, but it surely is good judgment to the young man trying to make good with his employer. If his wife encourages him to bring his business problems home they can sit down and discuss them. Ofttimes conclusions are reached from unbiased discussions which enable the young man to form better opinions of his relationships in business, thereby enabling him to succeed.

### *Woman's Educational Influence*

It often happens that a man marries before he has secured an adequate education. His wife may have had better educational opportunities; in this case the

wife has an excellent opportunity to aid her husband to round out his education.

A case exists in Boston in which a young man in business is seriously handicapped because of his educational defects. His wife, however, will not permit him to go to night school, claiming that it is his duty to stay at home with her and the children. From one viewpoint she is absolutely right, but that viewpoint is rather selfish on her part. From a broader viewpoint if she is to be of the most help to him in his struggle for business success, she should not only permit him to attend night school, but do everything she can to assist him with his work so that he could have more time to prosecute his studies. This case may be the exception rather than the rule, since there are other cases in which a greater portion of the man's education has been secured after marriage.

There are numerous ways in which the wife can help her husband make good. These ways are usually in the common every-day details of life. She can encourage and stimulate him to higher achieve-

ments. She can enable him to get along with his employer by speaking well of the employer and enabling her husband to get the employer's viewpoint and vision. She can assist her husband by keeping up with current events and maintaining social lines which the husband's duties often prohibit. If she develops other lines of interest than those of her husband she may be able thereby to provide certain lines of diversion for him. The usual details of the home, such as conducting the finances, budget and savings, oftentimes fall to the part of the woman. There are some women, of course, who think they must spend practically everything the man makes. They often justify this on the ground that it makes the man work harder and therefore stimulates him to succeed. This idea was even incorporated in one of last year's plays. Of course, there is legitimate spending and there are economies which if carried too far cease to be economy. There may be rare cases in which on extravagance the woman drives the man to success, but usu-

ally extravagance will drive the man to ruin more quickly than to success.

### *Woman and Religion*

The most wholesome influence that the wife has on the husband is religious. Woman by her very nature is religious. It is she who sees that the children are brought up in the proper religious environment. It is she who is always mindful of her husband's religious welfare. It is she who holds the father up to the children as a living example of what the children should be. This brings a twofold result. The children are taught to reverence the parent and at the same time the father feels it necessary to maintain the standard established for him by the wife. Many men achieve success in business by attempting to live up to the standard which their wives set for them and many men will be drawn to heaven by the good qualities of the wife.

Realizing the good qualities of a wife and her influences upon a man toward making good in this world and for the



next, I feel that every young woman should marry when she reaches a reasonable age. There is nothing that will enable a man to make good with his employer more than the influences of a good wife. If he makes good with his employer he oftentimes becomes an employer himself.

### *The Business Man's Wife*

When a man is in business for himself the influences of his wife are just as necessary as when he is working for an employer.

During the past few months I have been visiting the larger cities of the country for the purpose of meeting my clients. This trip was especially an inspiration, for it took me into the humming factories, the big department stores, and the great office buildings. Having three experts along with me gave me time to study plants and stores in a way not possible on previous trips.

Among other things, I was especially impressed by the interest which the wives

and daughters of some of my clients are taking in their husbands' and fathers' business. But it was also painful to see the lack of interest on the part of a large number. Many men could have saved their business in times of panic and many women could have saved their homes, if both had taken a joint interest in the factory, store, or office. The husband gets absorbed in the business, the wife gets absorbed in society, shopping, or more worth-while things. This results in a "board fence" developing between the man and wife.

We like people who enjoy the same things that we do. Husband and wife fell in love with each other because there was some common bond between them. There were things which both enjoyed together. Later the children came along and they served as a common bond. The building of the home, the struggles of early days, the job of "making both ends meet" gave both husband and wife a common interest and they both were happy struggling together. Now do

these bonds still exist? The bonds which bear coupons have perhaps killed the ones that bear joy. To women who are threatened with this danger, I say:

To-day your husband's business associates are perhaps closer to him than you are. To-day you have social and other friends who may be closer to you than your husband. You and he still love each other and are still faithful to each other. But the children have grown up; you both have all the things which money can buy; and no other common bond has come along to bind you together. He is absorbed in the business about which you know little; while you are busy with your teas, charities, and clubs. As a result, you both are slowly but surely drifting apart.

*Wives of Men Who Already Have  
Made Good*

During this trip, however, I met some women who are actually interested in their husbands' business. They are not interfering with the management nor the

finances. They are helping on the employment end. They are acting as sort of unofficial assistants to the employment managers or to the heads of the personnel departments. Instead of fussing with outside charities, these women are getting acquainted with the families dependent upon their husbands. They are relieving the distress within their own ranks.

One of these women expressed it to me this way: "I was a member of a local hospital board. One day I was greatly shocked by a report by our matron of three very sad cases. Upon inquiring where the people worked, we were told that two of them worked at the store owned by my husband and from which we have secured all our wealth. Later a similar experience occurred to me in connection with a charitable organization of which I was one of the trustees. As a result, I resigned from both boards and devoted all my spare time to getting acquainted with the people in the store. To-day I visit the home of every new employee and call upon the wife or mother.



Each day a list of the sick ones is sent to my house by the head nurse of the store. Against certain names will be a star meaning that a call from me would be much appreciated.

“ Our greenhouse—which was getting to be more or less of a care—has again become a source of great pleasure. Every day I take flowers to the homes of one or more of my husband’s employees. When no one is ill, I take flowers to the office and place them about in the dark and disagreeable places where the poorer paid employees work. You have no idea the pleasure this work has been to me. Moreover, it has brought my husband and me closer together. As in the olden days, we now again have a common bond.”

*Women Have Greater Intuition  
Than Men*

I met other women who had caught this new vision. Not only were they happier, but their husbands were very happy about it, as the labour problem is the greatest care to-day of the average business man.

The labour problem is essentially a woman's problem. It is a problem of feelings and instincts rather than of agreements and statistics. A woman can diagnose and solve a labour difficulty far better than a man can. A woman appreciates the part which the instincts and emotions play in life. A wife can explain to the family of an employee the real desires and aspiration of her husband,—the employer. She can interest them in the factory or store far better than he can. She can also explain him and make friends for him far better than he can do it for himself.

### *A Business Home Maker*

Business people spend most of their waking hours in the factory, store, or office. I have always felt, therefore, the importance of making the working environment as attractive as the business can afford. The place where the main part of a person's life is spent should have plenty of air and light. Things should be clean and neat. There should be a place

to play during off-hours. The grounds should be a pleasant setting for the buildings. All these factors readily pay for themselves in the increased quality and quantity of resulting output. But even if comfort and happiness were a pure expense, an employer should still regard the expense as necessary—for workers are entitled to a decent life as well as a decent living.

A very large proportion of modern enterprises are conducted on this policy of maintaining a plant in which the workers can take real pride. Here is a wonderful opportunity for a wife to help her husband. It is housekeeping and home-making on a broader scale. One cannot imagine a woman who would not be interested in a proposition to make several hundred people more comfortable and happy.

### *Taste, Not Money, Needed*

This is not a question of lavish expenditure but of alert wits, sound taste, and sure sympathies. We are not after

gold-plated fountains in the front yard, and a Japanese print in the boiler room. But we do like to have the boiler room kept picked up,—for the sake of the underwriters if nothing more. We want the front yard laid out in such a way that it is a community asset instead of a public nuisance. I have yet to see the business organization which cannot profit in such ways by the touch of a woman's hand. I say *profit* instead of *benefit* because there are direct financial gains in making a plant attractive to employees, to customers, and to the general public.

In their own homes some women can spend a fortune on the house and grounds, and the results are both uncomfortable and inartistic. Other women, at a fraction of the cost, will work wonders. The improvement of a business home is a real problem calling for all the native intelligence and acquired education at a woman's command. Furthermore, there are the added difficulties of dealing with a large group of people. What the workers want is usually very different from



what you think they ought to want. The wife who would help instead of hinder and harm must have infinite understanding.

### *Women as Consumers*

Practically every large enterprise at some point or other touches the consuming public, a proportion of which is women. It generally is of help if somewhere in the process of manufacturing or distribution a woman's counsel is sought. Of course, this would naturally be more important in the lines of products used largely by women, but it is also true that a great many products whose purchasers are almost solely men must be put up in such shape that they will appeal to the wives and families of the purchaser. The average man cares more for the motor and mechanical detail of an automobile than for the lines or the finish, yet there are many automobiles on the American market making a distinct appeal through their finish or graceful lines. It is hard to believe that this selling angle has been

developed unless at some stage a woman's counsel has been sought. Who should be more logical to speak in this connection than the wife of some of the designing force or possibly the wife of the head of the business himself?

In business relations it is generally of value to get some other person's impression of the individual with whom you are dealing, especially if the meeting is the first. One's business associates appear in conference. Oftentimes a social meeting at which the wife or wives are present will reveal new angles which a group of men alone would not discover.

### *Counselors on Style*

The suggestions already made have applied generally to all women whose husbands are in positions of independent responsibility. It is not necessary for me to make specific recommendations as to special things that the wives of particular classes of business men should do. I leave that to their own ingenuity, satisfied if

they once start to think seriously on the subject.

But one more specific suggestion may be offered.

There are many lines of manufacturing and merchandising where success depends upon the elusive element of style. Style is not confined to apparel. It applies likewise to furniture and furnishings, tableware, jewelry, architecture, automobiles,—in fact to almost every kind of business. Think, for example, of the effect upon trade when knitting became fashionable.

Women are born experts on style. Moreover, this is a field peculiarly adapted to a man's wife rather than the regular members of his organization. The place to study styles is not at the mill where the goods are made or even at the store where they are sold—but in the social circles where they are to be worn or used.

To show that this is a most practical problem and one especially suited to women's keen intuitions and judgment,

the following paragraph from a most interesting article appearing in *The Dry Goods Economist* may be quoted:

“The heads of departments in stores that serve the fashionable trade have the opportunity of ascertaining something definite as to the trend of style. Naturally, it is the modish woman who first gets the new ideas. Information along the same lines can also be obtained from high-class dressmakers and from manufacturers of the more expensive lines of women's wear. The retailers we have interviewed say they obtain their ideas chiefly from the fashionable women among their own customers.”

### *Protecting Themselves*

In addition to being of great service to the employees and to their husbands, these women are getting acquainted with the business. If their husbands should suddenly die, these women would not be dependent upon the advice of some cold-blooded lawyer or some self-interested partner. These women would be in a position to protect themselves. So you



see that from every point of view it's the thing for many more women to do. If your wife is not doing it, look into it. Have her get acquainted with the employment manager, and especially with the factory or store nurses. This offers a wonderful opportunity to help the business and to enjoy oneself at the same time.

These latter suggestions are, of course, made to the wife of the man who is in business for himself. But even a greater opportunity for service exists for the young wife whose husband is working for another.

## V

### CONSTRUCTIVE AIDS TO DEVELOPING THE SIX "I'S"

**A** YOUNG man once occupied a very important position, but through a careless neglect of duty had cost the company employing him a considerable loss of property. According to the rules of the particular organization he was suspended while his case was being considered. During his period of suspension, he said to a friend: "Mr. Wilson, if I get back on that job, just watch me make good." That particular young man realized that he had the ability to make good, but through his carelessness he had temporarily failed. He *did* get back on the job; he *did* make good, and he is now one of the partners of the concern.

The race of making good is not unlike an athletic event. There are races at all

stages beginning with the lowest amateur and ending with the Marathon. The Marathon may be considered as that race in which honours are the highest. The Marathon of making good is achieving success in its fullest measure. In a professional race of any kind there are usually preliminaries. Just the same in the race of making good. If one expects to possess the Six I's, he must prepare and qualify in the preliminaries. There are many persons who have some of the I's, but in order to have them all certain fundamental qualifications are necessary.

### *Spiritual Development*

As already indicated, the most important of these preliminary qualifications is spiritual development. The basis of permanent success is a well-grounded spiritual development. Such a development is far more important than the physical, mental, industrial, or recreational. Moreover, I say this purely as a business man and statistician. This aid is far more essential for individual success or making

good in business than any other above enumerated. You will remember that reference has already been made to an investigation of the leading industries of the United States. That investigation showed that thirty per cent. of our prominent business men of America are the sons of ministers and farmers. It showed that success comes to those who have been reared in a family where religion and hard work made up the program.

Spiritual development is especially necessary as a foundation to the two I's, Integrity and Inspiration. Integrity is the Ten Commandments boiled down into one word; while Inspiration is that faith which comes only to those who are imbued with a desire to serve. Integrity is the key-note of the Old Testament, while Inspiration is the key-note of the New Testament and is that feature which differentiates Christianity from the other religions.

### *A Lesson from History*

Years and years ago there were no



business activities in which a man might make good. Why? Simply because men produced only for their own consumption. They had never heard of the Gospel of Service. There were plunder, rapine, hunger, and a lack of regard for the rights of others. Men were physically strong and mentally developed in accordance with the standards of their time; but they lacked integrity. I have said that there was a time when no business enterprise existed. There was a time also when civilization did not exist. Business enterprise and civilization are the products of religion. Not until there developed in the minds of the people a regard for the rights of others could business or civilization develop.

Years ago tribes of Indians roamed through the fields and forests of this fertile country. The Indians were physically strong and they had a standard of mental development, but they lacked integrity. On account of that lack of integrity no civilization developed on this continent until the coming of the white

man with his religious standards. Only as the missionaries, the harbingers of industrial enterprise, inculcated integrity in the mind of man, appeared the dawn of a new era.

The Indian did not care to construct a log canoe because he knew it would be stolen from him. He did not catch more game than he and his family could consume in a day because it would be carried away by others. But as soon as integrity was taught by the missionaries, the Indians began to construct their canoes which might perhaps be suggested as the beginning of our merchant marine. The Indians then began to preserve their game and that was the forerunner of the packing-house industry. Business enterprise is possible only when moral integrity obtains. Business enterprise and civilization itself are the products of spiritual teachings.

The best way to develop moral and spiritual integrity is through the religious process. This process does not mean theology. I have not in mind your creed or

my creed, or your denomination or my denomination; but rather that form of religion which develops in man a desire to deal justly, to love mercy, and keep himself unspotted from the world. Without the development of the qualities inculcated by religious teachings, it is impossible to make good even though you have physical strength, industry, and intellect.

There are many men in business who lack moral and spiritual development. Temporarily some of them make good; but over a long period no man will ultimately succeed who lacks religion. No doubt there are religious people who are not in the churches. No doubt there are people in the churches who are not religious, but to my mind the best way to develop your spiritual well-being is to affiliate yourself with a church and take a direct part in its work. But this will be treated more fully in the last chapter.

### *Physical Strength*

Next in importance as a groundwork

for securing the Six I's, is physical strength. The value of physical strength is usually underestimated. The relation between the physical and mental being is a close one. This body of ours is a dwelling place for the soul and the mind. Normally a good strong body furnishes the best abiding place for a strong soul and mind. Physical strength is especially necessary in the development of Industry and Initiative.

American city life perhaps is not conducive to the best physical development. There are too much hurry and rush, early and late hours in the whole business. There is too little opportunity for proper rest and recreation even to the wealthy. I presume the normal life of the average city clerk is to rise at seven, have coffee and doughnuts at quarter of eight, spend a half-hour on the trolley car and be in the office by eight-thirty. Then he has one-half hour to one hour for lunch, out of the office at five, dinner at six, picture show from eight-thirty to ten-thirty, in bed at eleven-thirty P. M. The same



round starts over again the next morning. When passing through the great cities of our land, one cannot help feeling depressed by the inimical influences of the city life on those in the struggle of making good. The great city is one of the prices that nations pay for their industrial development.

Some day American ingenuity will devise means for proper rest, exercise, and recreation for the great mass of the city's inhabitants. Various institutions are already supplying this need in a limited way. Statistics show that a great number of suicides are directly attributable to the fast life that we are living. We sometimes laugh at the Englishman for his conservative way of living and for his antipathy to our American customs,—but if we would slacken our pace somewhat it surely would redound to the benefit of our physical well-being.

Statistics show that executives are physically stronger and larger of stature than their subordinates. For example, the college presidents, as a class, are taller

and heavier than the college professors. Bank presidents are physically stronger than the clerks. Railway presidents are larger and physically stronger than the employees. The strain of modern business demands as one of the preliminary requirements a strong physical being. There is no particular secret about securing physical strength. It does not necessarily require wealth, but it does require a certain amount of rest and self-control. The best way to develop a strong physical being is: Eat wholesome food. Sleep in well ventilated rooms. Perform a proper amount of work each day. Secure a proper amount of rest and exercise. Give some time to recreation, and above all live a normal, clean, upright life. Physical welfare is the second qualification for winning the race of making good.

### *A Lesson from Statistics*

The great mass of us are idle seventy-six per cent. of the time. In this seventy-six per cent. of unemployed time a proper amount of recreation is quite essential.

Technically one should be recreated in the interim between the close of one day's work and the beginning of the next. That is, the muscle fiber and the energy used up should be reconstructed and replaced before the next day's toil begins. In business there must be compensation for the mental fatigue. Business men with weighty problems to solve should have some enjoyable form of recreation. It does not matter particularly what that form may be so long as it is healthy, honest, and pure. It may be golf, walking, music, art, birds, or flowers. Such forms of recreation are the safety valves, and governors for the business man,—absolutely essential to maintain his proper equilibrium. My own particular hobby is my farm. I take my exercise and mental relaxation in God's way. The vast majority of recreational activities are non-productive. I prefer to make my own recreational activity productive and enjoyable at the same time. But every one to his tastes.

I tried to play golf once myself. I

wanted to play for relaxation. I wanted to play to get my mind off of my business,—but every time I sat down for a moment's rest, one of the players would ask me if Union Pacific was a good buy, or what was thought of Chili Copper, or when the next period of prosperity would begin! Hence the golf links, while giving me physical exercise, did not give me mental relaxation from business affairs. Yet golf and all other proper recreations should be recognized for their value and importance in preserving physical strength.

### *Education*

The third qualification as a preliminary to the Six I's is Education. This especially applies to Intelligence and Intensity. *It is through this mental development that one learns to think for himself.* Learning to think for oneself, or the proper development of the mental faculties, is best accomplished through some educational process.

Many reforms should be made in



America's educational system. Too many frills and fads have found places in our schools and colleges. Too much time is required to accomplish results. Too many impractical theories are being taught. There are too many teachers with book knowledge and too few with practical knowledge. Despite all these things the educational process, even in its present state, is one of the most constructive aids to making good. The educational period of a man's life is the most important period of his life. It is the formative period. It is the period in which habits, character, associates, friendships, moral and religious attributes are made, formed, and acquired. The educational period is a foundation builder of our future existence.

### *Money Value of Religious Education*

Not only does our individual success depend upon religion and education, but even the national prosperity of our country depends thereupon. In Spain, Russia, Turkey, and Mexico where there

is a lack of Christian education, there is the same story of poverty, revolution, and misery regardless of race, climate, or abundance of natural resources. On the other hand, wherever there is adequate provision for such education there follow industrial efficiency and national wealth. Witness such countries as Denmark, Scotland, Switzerland, England, and the United States.

Statistics have been tabulated showing that productivity per man varies directly with the schooling. The poor farmers of Asia, Russia, and India receive from three to fourteen cents per day and only five per cent. of them are literates. In Russia about forty per cent. of the people read and write. In the United States 92.3 per cent. of the people read and write. From the shoulders down, neither men nor nations are worth more than the product of their labours.

There is a class of individuals who still insist that manual labour is the only kind of productive labour. Statistics show that the contributions of intellect are far

more productive than manual labour. I say this with the highest regard for manual labour,—a most honourable kind of work. At the same time we must not close our eyes to the contributions of intellect. Had it not been for the mechanical inventions, industry would not be developed as it is to-day. We could not clothe our people or feed them under primitive methods of production. If prices have been high during the past few years, think what they would be if production were still in the household stage.

### *What the Record Shows*

Some years ago a study was made of the names listed in "Who's Who." This book contains 30,000 names of those who have made good in certain walks of life. Of the 5,000,000 uneducated people in the United States, only thirty-one were listed in the book. This represents only one individual out of 150,000. Of the 33,000,000 grammar students, 808 are listed in the book, or four out of every

150,000. Of the 2,000,000 high school graduates, 1,245 are listed in the book, or ninety-three out of 150,000; and of the 1,000,000 college graduates, 5,768 are tabulated, or 800 out of 150,000. In other words, the child with no schooling has one chance out of 150,000 of making good in a big way. The child with an elementary education has four times the chance. The child with a high school education has ninety-three times the chance, while the child with a college education has 800 times the chance.

From a statistical standpoint it may be interesting to know that while less than one per cent. of American men are college graduates, this one per cent. of college graduates has furnished fifty-five per cent. of our Presidents, thirty-six per cent. of our Members of Congress, forty-seven per cent. of the Speakers of the House, fifty-four per cent. of the Vice-Presidents, sixty-two per cent. of the Secretaries of State, fifty per cent. of the Secretaries of the Treasury, sixty-seven per cent. of Attorney-Generals and



sixty-nine per cent. of Justices of the Supreme Court. These are cold statistical facts that we must accept as a handicap or an advantage in the race of making good.

### *Mistakes of Students*

In my college days I was considerably surprised at the attitude of the general student toward physical and mental training. Probably the same attitude prevails to a greater or less extent to-day. Put the average student on the athletic field and he will obey the physical coach to the letter because he knows it is absolutely necessary to observe the rules in order to make the team. The athletic coach often regulates the hours of sleep and designates the diet. His dictum is accepted without a murmur on the part of the student. Put the same student in the class-room and his attitude toward the mental instructor is very different. If the instructor assigns a chapter from the history of Rome, the student at once questions the advisability of the lesson.

"I do not care what the Romans did. What I want to know is what people are doing to-day," is a very common statement heard in college halls. Whereas, those of experience and training in educational lines know that what is happening to-day is the result of past years of experience.

By a systematic training course we can develop our spiritual, physical, or mental being so that we can perform feats of strength. This fact is universally known. Systematic concentration and properly guided exercises in mental development make for wonderful results. The attitude of the majority of people toward systematic training is not satisfactory. If we can get the great mass of people to understand that they have abilities and potentialities, we can make rapid strides in our race of making good. Religion consists not of creeds nor churches. Physical health is not made up of muscle or weight. Education is not designed to cram us full of data and tabulated information.

*Experience*

The fourth preliminary to securing the Six I's is Experience,—and this applies especially to all six! Spiritual, physical, or mental development does not end with the educational institution. When a young man leaves the grades, high school, or college, he has just begun to develop. It is for that reason that we term graduations “Commencements.” The developmental process is just as essential after a man enters business as it is in the college. Here's where so many of our young people fall down. A young man on a street car was heard to say to his friend, “I have got the best job I ever had. I don't have to do two hours' work a day.” Measuring the value of a job by the minimum amount of work required is not conducive to success. For the proper development of the young man it is not the least amount of work that he can get along with and still hold his job that develops him, but the maximum amount of work that he can do.

Generally speaking, a job is good in proportion to the amount of experience required to master it. A boy can learn to run an elevator in two hours. From apprentice to professional in two hours; but he gets an elevator boy's pay. A young man can learn to be a motorman on a street car in one or two weeks and he will receive motorman's pay. A college graduate can enter a medical institution and in four years qualify as a doctor of medicine and he will receive the average doctor's income. The same doctor can spend additional years in specialization and he will receive a specialist's income. The gradation of income in all of these cases varies directly with the time required to learn to do the work.

This is generally true throughout all business. The job is worth approximately the time required to learn it. Some one has said: "The gods sell anything to everybody at a fair price. The job that the gods sell for two hours' training is worth just what it cost. The job that the gods sell for two years' train-



ing is worth what it cost, and the job that sells for ten years' training is worth just what it cost. *The only job that is worth while has tied to it the price tag of constant, unceasing study and work.*" Experience is that which makes your life more than a dash between two dates.

### *What Determines Wages?*

The elevator boy is open to the competition of almost any young man on the street because any young man can learn his profession within a few hours. The motorman is open to the competition of almost any man on the street because the normal man can learn to be a motorman within a couple of weeks. This competition has a tendency to keep down the wages of elevator boys and motormen. It also has a tendency to stimulate trade unionism as a method of eliminating competition to keep wages up. Wages are influenced by the conditions of demand and supply as many other economic factors are. Wages are also influenced by the efficiency of the worker. High wages

do not make men more efficient, but efficiency makes high wages. Wages come out of what is produced just the same as do all the factors in the distribution of wealth; so the more there is produced the more there is to be distributed.

These, however, are bi-products of the point. The point is that with spiritual, physical and mental development, the real education begins when a young man enters business. No employer is going to ask a young man what grade he made in trigonometry or Greek, but he is going to ask, "What can you do?" That is the test of the young man in business. We are all gauged by what we are able to accomplish.

### *What Can You Do?*

Hence a constructive aid to making good in business is a proper industrial development or ability to work. The young man who always has the interest of his employer at heart seldom fails. The young man who is willing to come to work early and to stay late has very little

trouble with his employer. The man who takes an interest in his work eventually has an interest in his company. The man who continually dreads to do his task is doing an injury not only to his employer, but to himself as well. The clock watcher, who sees how much longer he *must* work before he can go home sometimes gets to stay at home. The clock watcher who sees how much longer he *can* work before he must go home has no difficulty in making good in business.

### *Coördination*

If you do not do more than you get paid for you will never get paid for more than you do. In making good in business, work is an important factor. Find the thing that you can do and the thing that you love to do, then do it with all your might. Be loyal to your employer if you are an employee and you will succeed. If you are in business for yourself, be loyal to your customers.

The constructive aids above for securing the Six I's and making good in busi-

ness are the proper spiritual, physical, and mental experiences with a fair amount of recreation. There should be a governor for these activities. Many people develop one of these activities at the expense of another. It is quite easy to detect the individual who has developed one of the faculties and neglected the others. You meet individuals who think of nothing else but physical development and to them physical culture is all important and nothing else is worth while. We have with us the intellectual gymnasts, bookworms, impractical and unsociable, who devote their entire time to working out theories. They are a class of people who spend their time in measuring how thick the ice should be before it is cut and by the time they get their measurements correct, the ice is melted.

### *Be Well Balanced*

These are all examples of improper coordination. In order to qualify in the race of making good we must not only develop our spiritual, physical, mental, and



industrial selves, but we must coördinate these factors so that each one will function properly with the others. When these faculties are properly developed and properly coördinated, then we are ready to enter the Marathon, the race of making good in business in a big way. *Only when these faculties are properly developed and properly coördinated are we able to live a well-balanced normal and useful life.* In the last generation, men have recognized these factors and have created departments to promote them.

The recreational departments for the development of the physical being, the church activities for the development of the spiritual and moral integrity, the educational divisions in industry for the development of one's mental well-being substantiate my points. These divisions of industry are proof that the factors above enumerated are essential for any young man who hopes to make good in business. Else they would not become a permanent part of industry.

## VI

### THE SIX "P'S" AND GENERAL BUSINESS CONDITIONS

**I**N a previous chapter was made this statement: "The real cause of business depressions is our temporary neglect of Industry and Integrity. While our nation's resources are greater than ever and the world's need for goods is more than ever, factories close down because men forget those common virtues of Industry and Integrity which are the basis of prosperity." This means that not only do these qualities herein enumerated bring definite results to the young man or young woman in business, but that it is these same qualities or the lack of them that make for the success or failure of a nation. It is these same qualities that cause industrial prosperity and it is the lack of these qualities that makes for industrial depression.

*Explanation of the Chart*

The chart on page 120 is a balance sheet of business conditions in the United States for the past thirty-two years. It is called the Compositplot because it is composed of numerous business activities instead of any particular business. The medial X-Y line represents the fundamental growth of the United States in population, wealth, and business activity. The black areas below or above this medial X-Y line represent the temporary business conditions. The areas below the medial line represent periods of depression and unemployment. The areas above the line designate periods of prosperity and employment. You will notice that the fundamental growth line, that is the medial X-Y line, has gone steadily upward in the last twenty-five years with one exception and that was back in 1908 where the serious panic of 1907, followed by the depression, turned the fundamental growth line downward for one year. The fundamental growth of the United States

has been upward for several years and we may expect a steady increase in population, wealth, and business activity when considering the long run swing. There are numerous reasons for this belief.

### *Banking System*

For the first time in the history of the United States we have a flexible banking system properly functioning in a period of depression. Every one knows that our old National Bank Act was a product of the Civil War. It was passed wholly as a war measure back in 1864-65. It failed to accomplish many of the things anticipated of it. However, it did give us a basis for banking for half a century. Defects of the National Bank Act were pointed out repeatedly. The chief defect of the Act was the rigidity of the currency. When money was needed it was scarce and when there was no demand for money it was abundant. It was pointed out repeatedly that the defects in the Bank Act would eventually lead us into a financial panic. These defects were the



topics taught in our economic and financial text-books. It was not until the panic of 1907, however, that anything of a constructive nature was done.

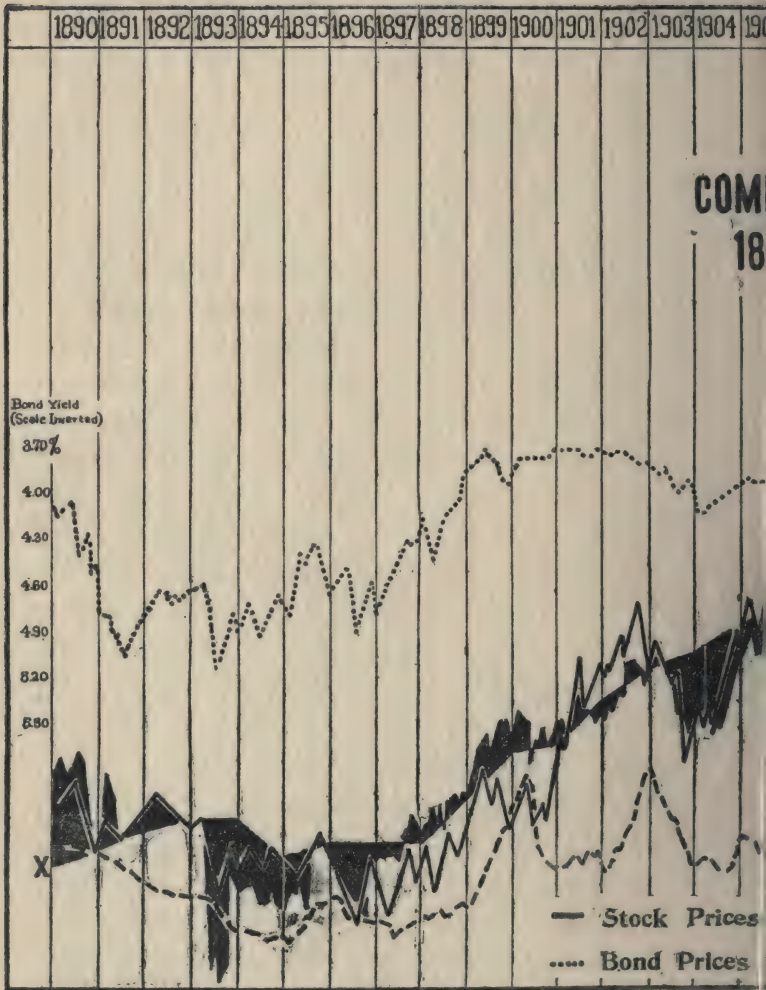
Shortly after the panic of 1907, a Monetary Commission was appointed which made an exhaustive study of the financial conditions not only of the United States, but of the leading European countries. The result of this investigation led, after a series of changes, to the Federal Reserve Act giving us the Federal Reserve Banks. While these Federal Reserve Banks with the Federal Reserve Board have been functioning only a few years, they have been of distinct service. They have given us a flexible currency and have appreciably minimized the evil effects of abnormal periods. Had it not been for the operation of the Federal Reserve Banks, we should have before this experienced a more drastic panic than has yet occurred. The banking situation in the United States long since has passed the crisis period and now is fundamentally sound.

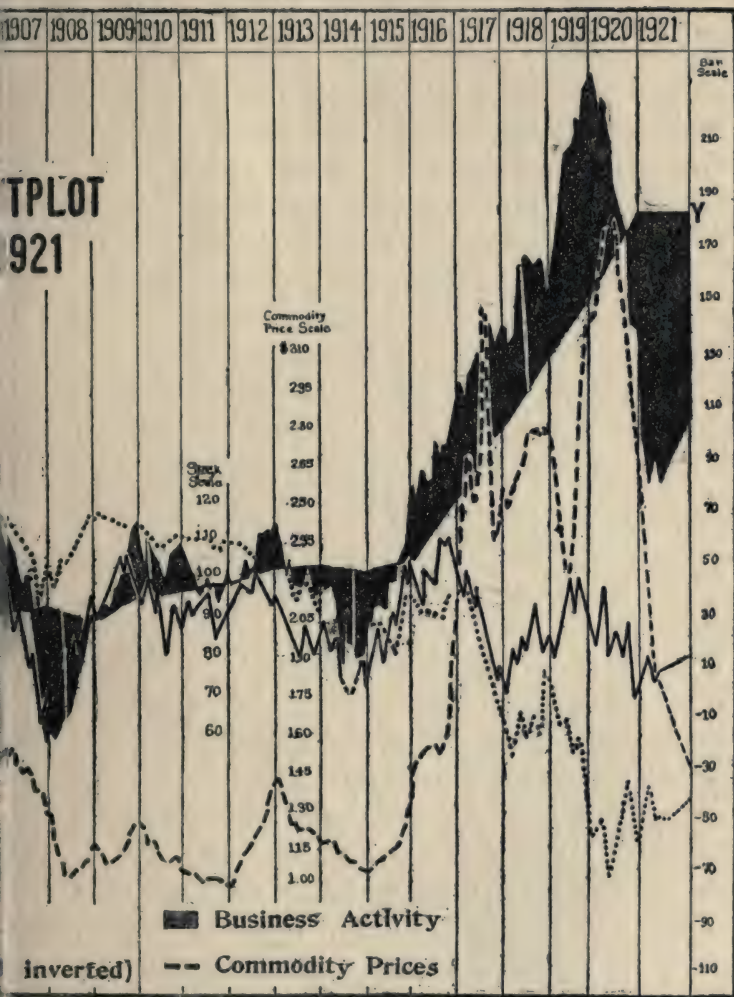
*Bond Issues*

Not long ago an investigation was made which indicated that of the Liberty Bond issues approximately eighty per cent. purchased by the middle class is still in their hands. Large corporations have in many instances been forced to sell their Liberty Bonds, but the great mass of people still have the greater portion of their original purchases. So long as this continues, the middle class people will possess a great reserve buying power. Sooner or later, as demands press themselves, this buying power will exert itself. Savings are also very evident in other channels. A period of depression cannot last long, when there is a large latent buying power.

*National Advertising*

In the past few years a new profession has come into existence. This profession is national advertising. The advertising man who fully appreciates his position realizes that he is a professional man just the same as the doctor or the lawyer.







Those advertising men who instruct their clients in proper advertising, rather than take instructions from their clients, can exert and are exerting a great factor in the proper production and distribution of goods. It was only ten or fifteen years ago that men advertised when they had money, not when they needed business. To-day advertising is being used to create demand when demand is needed. When used in this fashion, national advertising has great possibilities in the steadying of business conditions and in the elimination of these dangerous hills and valleys indicated on the above-mentioned chart.

### *Prohibition*

Another optimistic factor in our present business situation is national prohibition. Before the Prohibition Act was passed, \$3,000,000,000 were spent annually for drink. Now this \$3,000,000,000, that was formerly spent for drink, goes to the buying of merchandise, the building of homes, the furnishing of homes, and the starting of savings ac-

counts. No matter what interpretation may be put on the law or what new legislation may be enacted, of this we are quite certain,—that same \$3,000,000,000 which formerly went to drink will hereafter be used for stimulating the regular channels of business. It will be used to buy merchandise, start savings accounts and do those things which tend to make people happy and prosperous.

### *Standardization*

The war taught some very valuable lessons. Among these are standardization and the elimination of seasonal fluctuations in business. Standardization increased greatly during the war. The number of designs were decreased and the product was increased. Standardization is the limiting of the field of activity not only of enterprises but also of men. It is the confining of human activity to a specialized field. Its underlying principle is the division of labour. By standardization is meant the reduction of any one line to fixed types and sizes. A

standard is simply a carefully thought-out method of performing a function. The standard method of doing anything is simply the best method that can be devised at the time the standard is drawn. The object of standardization is to get one way of making the product. By standardization during the war, plants were able to effect economy in patterns, to shorten the time of production, minimize preliminary work and decrease the cost of production.

Along with this increase in standardization has come the elimination of many seasonal business fluctuations. The ice man has gone into the coal business and the coal man has gone into the ice business. American manufacturers who formerly sent out their salesmen only twice a year are now sending them out quarterly. Those who sent them out quarterly are now sending them out monthly. They are also sending their men into the district where the demand exists rather than where the parlour car routes run and the best hotels exist. Standardization and

elimination of seasonal fluctuations have done much to decrease the costs of production and to stabilize business. The time will come when those who conduct business enterprises can be held responsible for the yearly wage of employees engaged there. It will be economically unjustifiable for one to start an enterprise and lay off a great number of employees periodically. Steady work the year round is a necessary requirement to eliminate distressing panics and reckless booms.

### *Crops*

Not only is our manufacturing capacity greatly increased through the above processes, but crop failures are becoming a thing of the past. A few years ago when the Washington crop reports were released, the telephone and telegraph wires in our Wellesley Hills office were kept busy by those seeking the first word on the crop outlook. Now no one seems to give the crops any particular concern. We have had our concepts of value and business conditions so distorted in the last



few years of business that we are losing sight of a great many of our fundamental barometers. We are producing more than ever before and this is greatly to the nation's benefit. Excepting for the fraction of our crop which is exported, it makes little difference to the country as to the price of wheat—whether it is one dollar per bushel or three dollars per bushel. The number of bushels is the important thing. As the bushels increase the nation's wealth increases, and the X-Y line of the Compositplot climbs upward.

### *Merchant Marine*

Not only have we great factory capacity and great farm production, but we have the greatest merchant marine in our history. Where before the war we were hauling only seven per cent. of our foreign trade in American bottoms, we now, with double the foreign trade, are carrying about fifty per cent. in ships bearing the Stars and Stripes. As a successful merchant needs delivery wagons, so a successful nation needs a good merchant ma-

rine. Thanks to the war, the United States has such to-day.

Finally, we are to-day citizens of the richest country in the world. Where formerly we were a country owing the other nations of the world, we are to-day a credit country, with the rest of the world owing us. For this and other reasons, this country, fundamentally, is all right. Even at the present time, this medial line which represents fundamental conditions, is slowly but constantly going upward.

### *Temporary Conditions*

And yet, what about temporary conditions? While the country has been continually growing richer, we have been having these ups and downs in business. The depression of 1893-1897; the prosperity of 1898-1902; the depression in 1903 and 1904; the panic of 1907; the prosperity of 1910-12; the depression following in 1913-1916; the better times in 1917-20, reaching a zenith early in 1920, when business was at the highest point, considering all sections and all lines.

The dotted line on the chart represents the bond market, which reached a very low point in the middle of 1920. The broken black line represents prices of commodities, showing more or less the same level, until the war, when it shot up, reaching a very high point in June, 1920, after which it fell. The solid line represents the stock market, that is to say, the average prices of the most active stocks on the New York Stock Exchange, and shows a constant relationship to the black areas. The stock market reaches its highest point in the very early part of each prosperity area. Few people realized that the stock market was at its highest point in 1916, notwithstanding the great prosperity which occurred in 1917, 1918 and 1919. The lowest point is always reached very early in the depression area and stocks begin to climb upward long before a depression is over.

### *Price Fluctuations:*

Now catch the important point to be remembered; namely, while fundamen-

tally, conditions are absolutely sound, yet over any long period of years, we have first a period of prosperity, then depression, then prosperity, then depression, and so on. Stock prices, commodity prices, wages, and everything go up and down. Within a few years cotton ranged in price from forty-three cents to ten cents a pound; wool, the average grades, has ranged from one dollar per pound to thirty cents per pound; silk from sixteen dollars per pound to six dollars per pound; copper from forty cents to twelve cents; wheat from three dollars per bushel to one dollar; while corn, within a few months, fell from two dollars to sixty cents.

Recently I went to Gloucester to visit my father. When leaving home my father drove me to the railroad station. As we passed a certain little store, he mentioned the fact that there used to be a sign on this store saying, "One pound of pork and a quart of beans—ten cents." I said, "Let's see what we can buy that for now," so we stopped the nag and went



in. The proprietor said, "Well, the price of that pound of pork and that quart of beans slowly went up during the past twenty years from ten cents to fifty-five cents, reaching the highest point in the spring of 1920. Since then there has been a steady decline and the price is now back to about thirty cents."

### *The Wet Towel Theory*

But the question is, "How long should a period of depression last?" In the answer to this question every one is interested. One does not need to argue further that, fundamentally, the country is perfectly sound. These black areas on the chart above the medial line represent inflation and such inflation must ultimately be taken out. But how the inflation is taken out is most important from its psychological effect on the business man.

To illustrate what I mean, let us assume that before me is a bowl of water and a dry, clean, healthy hand-towel. The towel in that condition represents normal business conditions,—when busi-

ness is on the medial X-Y line, as, for instance, 1911-12. Then it was in the state of this towel, neither inflated nor deflated, but clean and healthy, ready for use. During 1917-19, however, the towel became saturated with water. This is just what happened to business. The drops of water that fall off the towel when lifted out of the water may be indicative of the orders for goods which fall to us during such inflated times. The saturated towel represents business when we were at the highest point in January, 1920, thoroughly saturated with water. Such saturation must be taken out. We must always get the towel dry again.

There, however, are two ways of getting a towel dry. If I took a towel and hung it up to dry—when dripping—it would take about four hours for such a towel to dry. But there is another way, which our mothers used. Instead of letting the towel take four hours to dry, they would put the towel through a wringer. Now, after the towel has been put through a wringer, it can be hung out

in the same sunshine, the same air and same temperature and it will dry in one hour.

Business was put into the wringer in 1920 and 1921. Although you and I don't like to go through a wringer, nevertheless it is very much better for all if some of us go through the wringer once in so often. If we cut a dog's tail off by one clip, the dog suffers a lot for a short time, but soon forgets it. If, however, we cut off the dog's tail a quarter inch per month for thirty-six months, at the end of that time the dog will be pretty well discouraged.

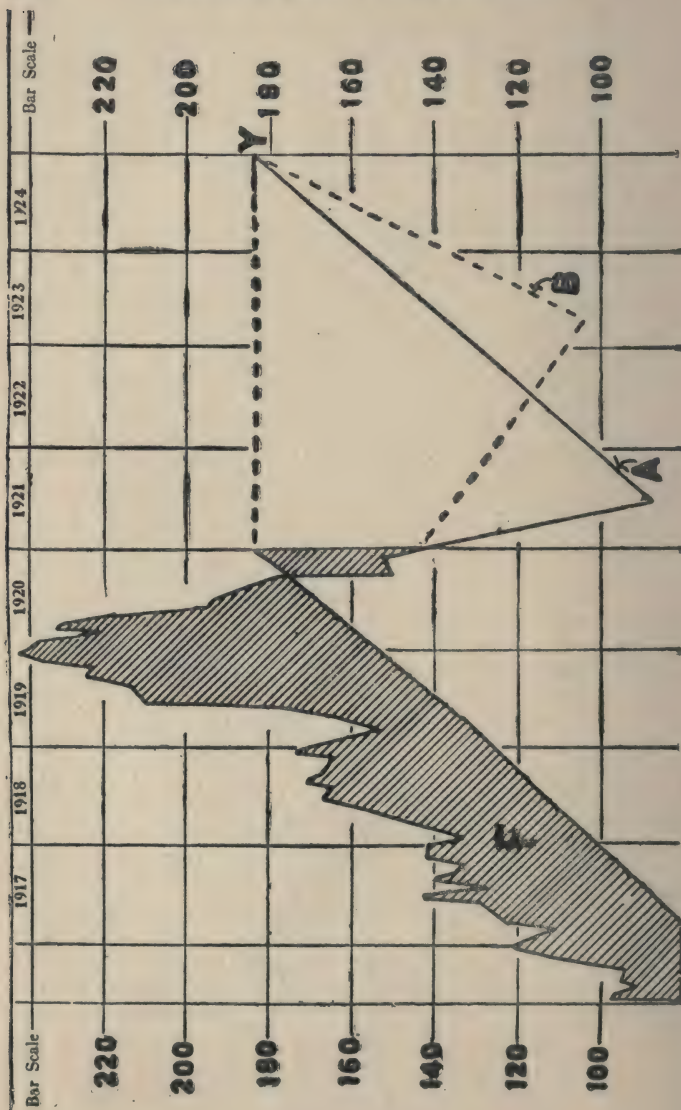
### *Develop Slowly But Surely*

This means that much depends upon the shape of an area of prosperity or an area of depression. That these areas must approximately balance is an established fact, but their shape can be determined by watching them develop from week to week. A prosperity area which reaches a high point at an early part of the area and spends two or three years in

tapering off is much less satisfactory to business men than one of the same area which gradually improves throughout the period and reaches its high point at the end of a period. Conversely, an area of depression which reaches its low point in the early part and then gradually improves seems much less serious than one which gradually grows less and reaches its low point at the end of the period. Two such areas are illustrated by the chart on following page: The solid line Area A is much to be preferred to the dotted line Area B.

This principle applies in the same way to individuals as to nations. A man who truly makes good in business develops slowly but surely. It is an old saying that those who go up like a rocket come down like a stick. One great difficulty with young people to-day is that they are in too much of a hurry to make good. They are unwilling to spend the necessary time in preparation. American industry, in order to develop permanently, needs the old-time apprentice system. It





is true that we have shot ahead very rapidly thus far, but it has been largely due to the fact that we have been living on our capital and using up our natural resources. This cannot continue indefinitely either among nations or individuals. The trees which stand the storms of winter are the slow growing ones like the oak, not the rapid growing ones such as the cottonwoods. "Make haste slowly but surely" is a very important proverb to keep in mind when seeking to make good in business.

## VII

### THE NEED OF VISION

**W**HY is it necessary, when the country is fundamentally sound, that we have these reckless booms and depressing panics, as shown by the hills and valleys on the Compositplot? This is the answer:

#### *Causes of Prosperity and Depression*

Reference has been made to various lines on the Compositplot, the broken line representing the bond market, the solid line the stock market, but there are some lines on this chart which are more important than any that have been mentioned. They are these little vertical white lines which divide the areas approximately into equal parts. These white lines show when the character of the people changes.

They are determined mathematically and located mathematically. A large number of factors enable one to locate those lines, showing when the character of the people changes. During a period of prosperity, the white line shows when the character of the people has changed from better to worse; while during a depression, the white line shows when the character of the people has changed from worse to better.

A great mistake has been made in focusing our minds so much upon *things*. We have been taught to look upon bank clearings, railroad earnings, and commodity prices as the important factors of business. They are not at all. Assume there is a thermometer in your room. Is the heat of your room determined by that thermometer? No, not at all. Is the heat determined by the size of the building? Is it determined by who owns the building? By whether it is owned in Boston, New York or Chicago? Is it determined by the decorations? No. The heat of the room is determined by



one factor, namely, the character of the management. In the same way it is *character* that determines business. These hills and valleys are not developed without cause. There is a reason for them. But these things that we have been taught as the reason,—bank clearings, railroad earnings, commodity prices and what not,—are not the reason for business, but simply reactions and indicators of business.

### *Importance of Character*

Business is good or bad according to the *character* of the people; the *character* of the workers; the *character* of the employers; the *character* of the merchants and jobbers; the *character* of us all. For instance, let us take one of these cycles. Take the cycle beginning in the year 1909 and closing with 1915. Business started as usual in 1909; then we had great prosperity in 1910; then in the middle of 1910 that prosperity went to our heads and there developed indolence, extravagance, inefficiency, indifference, unrighteous-

ness, and those factors, developing in 1910, '11 and '12, laid the foundation and caused the period of depression that followed.

Then as we got into the period of depression, people again came to their senses and in the latter part of that period, there developed again industry in place of indolence; thrift in place of extravagance; efficiency in place of inefficiency; integrity in place of dishonesty, and righteousness in place of unrighteousness. These factors of industry, integrity, and desire to be of service, which developed in the latter half of the period of depression, caused and laid the foundation for the period of prosperity that followed. This has been true in every cycle and is true to-day. Wage-earners, employers, and merchants during periods of prosperity forget the star of service, and blindly follow the star of selfishness. This brings on depression. We remain in this depression until we get back again into the path of righteousness, and once more remember what the word SERVICE

means, thinking more of our duties or responsibilities, and less of our rights or opportunities.

*The Blind Men of Indostan*

Business men do not always appreciate the real causes of prosperity and depression. In fact, they are too apt to judge business conditions by what has happened in their own particular line of industry. I will illustrate what is meant by quoting a poem entitled "The Six Blind Men of Indostan," by John Godfrey Saxe:

"There were six men of Indostan,  
To learning much inclined,  
Who went to see the elephant  
(Though all of them were blind)  
That each by observation  
Might satisfy his mind.

"The first approached the elephant,  
And, happening to fall  
Against his broad and sturdy side,  
At once began to bawl:  
'Why bless me! but the elephant  
Is very like a wall!'

“The second feeling of the tusk,  
Cried: ‘Ho! what have we here,  
So very round, and smooth, and sharp?  
To me ’tis very clear  
This wonder of an elephant  
Is very like a spear!’

“The third approached the animal  
And, happening to take  
The squirming trunk within his hands  
Thus boldly up he spake:  
‘I see,’ quoth he, ‘the elephant  
Is very like a snake!’

“The fourth reached out his eager hand  
And felt about the knee:  
‘What most this wondrous beast is like,  
Is very plain,’ quoth he;  
’Tis clear enough the elephant  
Is very like a tree!’

“The fifth who chanced to touch the ear  
Said: ‘E’en the blindest man  
Can tell what this resembles most:  
Deny the fact who can,  
This marvel of an elephant  
Is very like a fan!’

“The sixth no sooner had begun  
About the beast to grope,  
Than, seizing on the swinging tail



That fell within his scope,  
'I see,' quoth he, 'the elephant  
Is very like a rope!'

"And so these men of Indostan  
Disputed loud and long,  
Each in his own opinion  
Exceeding stiff and strong;  
Though each was partly in the right,  
And all of them were wrong."

*Business Men and Fundamental  
Conditions*

All these men were honest but all were blind, and statistics show the average business man, when it comes to fundamentals, to be as blind as a bat. Why? Because the average business man, like those blind men, judges the world, not by the great controlling factors of life, but rather by what he handles. The banker handles money all day and he judges the world by the money rate. The foreign exporter handles bills of exchange all day and he judges the world by the rate of exchange. The merchant handles commodities all day and he judges the

world by commodity prices. They are all blind. Those of us who do that lose sight of the elephant. We all go home without knowledge of the elephant.

We are apt to miss the fact that the real controlling purpose of life, the real thing that makes business good or bad, is the character of the people. Whether fifty-one per cent. have their eye on the star of service or whether fifty-one per cent. have their eye on the star of selfishness determines business conditions.

Let me review very briefly the points that you should remember. *First*, fundamentally, conditions are all right. *Secondly*, present business conditions are often bad and seldom steady. The reason for this is that during a period of prosperity we forget our obligations to God and man. Then business continues dull until we again get back in the path of righteousness. *Thirdly*, the harder we are hit and the sooner we go through the wringer, the sooner we learn our lesson, and get back in the path of righteousness.

Yet it seems strange that intelligent

men need that punishment in order to get back again in the path of righteousness. Therefore, my appeal to all is that we forget the wringer and that we determine, each in our own way, to do something which will make the situation better; that we each do something to keep ourselves and others in the path of righteousness. As the business of the country is simply the sum total of the nation's pay-roll, so the activities of our business men, and the prosperity of the nation as a whole, are simply the sum total of the industry, honesty, and purpose of each one of us, as individuals.

### *Remedial Suggestions*

Now, what can we do to make and keep business good? First, those of us who are wage-workers, can give an honest day's work for an honest day's pay. Labour is the basis of all prosperity. Labour is the basis of all wealth, but that very fact puts a responsibility of great importance upon labour, to keep its eye

on the star of service, and not get distracted by selfish aims.

We employers have a duty to perform also. It is up to us to be honest as well as the wage-worker. Is it honest for us to close our plants down, pretending to take inventory and then start in at once to hire at the back door the men we are firing from the front door? No. Labour is intelligent; labour is reasonable when it has confidence in its employers. If so, is it not up to us employers to be honest with our wage-workers, to tell them the truth, then ask them to help us in bringing about the readjustment?

But there are other men besides wage-workers and employers who have a responsibility. There are the merchants and jobbers. Let us remember how the merchant and jobber got started. If you will read commercial history, you will find that it was only a few centuries ago when there was no such thing as a "merchant," and only a century ago there was no such thing as a "jobber." When our ancestors wanted a pair of shoes, they



went to the guild and bought the shoes direct from the man making them.

Then developed a group of men traveling with packs on their backs, who convinced the consumer that if he would let them, the peddlers, buy for him, acting as the consumer's agents, he could get the goods cheaper than if he went to the guild and bought direct. So these men with packs on their backs, gradually got a foothold; first they had a little wagon, then a stall in the public square, and finally they built great buildings. Most of the greatest merchants in America started out purely as agents of the consumer, with packs on their backs. Haven't those of us who are merchants forgotten during the past few years that we are simply the agents of the consumer? Instead of simply serving the consumer, haven't we been gouging the consumer?

The jobber has been gouging us too. He has forgotten what function enabled him to start and the real purpose of his existence. Hence to make good in business and to make business good, we must

be honest as wage-workers, as employers, as merchants, as jobbers! We must be honest as men in our dealings one with another. We must start right out to-day and be honest in our buying and selling. Those who are bankers should consider not only Dunn's ratings and Bradstreet's ratings, but also God's ratings.

*Righteousness is Contagious*

Recently I was speaking in Philadelphia to a group of business men along these lines. The next morning I received a message from the head of a large wholesale house there, saying that he thought I was right and, on the strength of the talk, had withdrawn a large cancellation of goods, which he had sent to a Rochester, New York, concern. Shortly after, I spoke one noon to the business men of Rochester. In the evening following the talk I was in the rotunda of the Seneca Hotel in that city and a man came up to me, shook my hand and said, "Mr. Babson, you don't know me, but I know you will be interested in a story."

He told me how he had received this withdrawal of a cancellation of goods from the big Philadelphia store, and then he added: "We were rather moved by that, Mr. Babson, and on the strength of it we got together our managers and withdrew a great cancellation which we had forwarded a few days before to the mills of New England. And that is not all. This afternoon I was talking with a representative of those mills and he said that on the strength of the withdrawal of our cancellation, those mills had started up again."

So those mills began again to pay wages and that money went out throughout New England. Soon that money enabled people to buy again and once more the wheels of industry were running full time. And as the people bought, they did not limit their purchases to goods made in New England. No,—the very first line to pick up was the clothing trade and the great wholesale store in Philadelphia received its share of the new patronage and again enjoyed good business. So

turns the wheel of prosperity. As one suffers, all suffer; as one prospers, all prosper. To make good in business we must help the other fellow make good also.

### *The Government's Part*

How shall we make prosperity permanent? Smallpox has been conquered; so have had crop failures. Why not wipe out also the plague of business depressions? It can be done. Very easily we can make prosperity permanent. Use the same methods that have been so successful in improving the health of our communities and improving agriculture. It was not so long ago that we had devastating failures of crops. Whole communities were once shattered and—in an economic sense—were all but annihilated by crop failures. The farmers still have their troubles. Crop failures are still reported. But a modern crop failure is mild indeed compared with the terrible ruin that befell farmers in previous decades.



Here is what has been done to control conditions on the farm:

1. Farmers have been educated to diversify their crops. Instead of staking all upon cotton, the more progressive farmers of the South are developing food crops and live stock. The same principle is being worked out in other sections. The one-crop system is everywhere being replaced by diversification. If one product is a failure, the farmer has other products to fall back upon.

2. Instead of working blindly in the dark, the farmer now has information to guide him both in production and distribution. If he sees a tendency toward excessive production of some one product—as clearly indicated by the crop reports from year to year—he can gradually shift his production to other crops. If a certain market is reported as glutted, he can divert his products to a point where conditions are more favourable.

3. The farmer has been educated to better methods. A superior agricultural technique has been developed and taught.

Farm efficiency has increased. Farm equipment has improved.

4. At least a beginning has been made in educating the public to regulate their purchasing by common sense rather than by fad or habit. That great buyer, the housewife, has been partially taught to buy rice when rice is abundant and potatoes are scarce. And she has been partially taught to direct her other purchases in accordance with market conditions. It is true that only a little has been accomplished along this line, but it is a step in the right direction.

### *Four Future Reforms*

These same principles which have made farm prosperity far more permanent than in earlier days can be applied to make business prosperity more permanent. In detail, this works out as follows:

1. Business men will be educated to diversify their interests. The "one-crop" system must be abandoned in the factory as well as upon the farm. The automobile manufacturer will make both trucks and trailers, so that a depression in truck

sales will be offset by activity in trailer sales. The merchant will be prepared to cater either to classes or masses according as the two groups see-saw up and down on the teeter-board of fundamental conditions. The same man will operate a woollen mill and shoddy mill, one of which will always be active when the other is dull. There will also be diversification of sales territories; and there will be seasonal diversification.

2. If sufficient pressure is exerted, the Government will provide business information as well as crop information. It is a national disgrace that no Government report can be found to tell which lines of industrial production are becoming overcrowded and which markets threaten a glut. The census of manufactures is a beginning which must be perfected and supplemented by a census of trade.

3. There can be developed a technique of business, comparable with the improved methods of agriculture. Even modern business is hardly more than hit-

or-miss—largely miss. The “systematizing” movement and the “efficiency” movement are but intimations of what awaits to be done for better business. Moreover, both of these movements were concerned primarily with mechanical matters—and business is not essentially mechanical but human. Illimitable possibilities will be opened up when we develop the human side of business, with attention to those mainsprings of action—the emotions.

4. Purchasers must be taught their power and how to use it. Send your money to the bank and it builds houses, factories, machinery, and other capital wealth. Send your money to the jewellers and it opens diamond mines. Both jewels and flour mills are well to have,—but in proper proportion. Proportion is the essence of the whole subject. There is no such thing as *over-production*; the trouble is always due to *unbalanced* or *ill-proportioned* production! For every pair of silk hose produced there must be produced a proportionate volume of gar-



den hose. Otherwise, panic and depression. The buyer is the supreme court that can diversify and proportion the nation's activities. When this duty is recognized and fulfilled a panic will be as rare as a dinosaur. In this connection, note

WHAT A DOLLAR WILL DO:

One dollar spent for a lunch, lasts five hours.

One dollar spent for a necktie, lasts five weeks.

One dollar spent for a cap, lasts five months.

One dollar spent for an automobile, lasts five years.

One dollar spent for a waterpower or railroad grade, lasts for five generations.

One dollar spent in the service of God, lasts for eternity.

*The Almighty Dollar*

This does not mean that we should put our income in the contribution box and starve to death, but that we should wake up to the terrible responsibility that ac-

companies purchasing power. We speak of the "almighty dollar." In one sense this is true. Don't abuse that power. Use it in making good. Get the vision.

I said that smallpox, save in isolated cases, has been conquered. As a national plague, it has been abolished. Not for a long time can we hope to eliminate the occasional business failure. But we can eliminate panics and depressions as national epidemics. We can do this, as has been explained in detail above, by following identically the same principles which have been so successful in agriculture and in health work. Tuberculosis has been shaken in its hold on the world by better methods of living. Panics can be stamped out by better methods of doing business. Then making good in business will be simpler for us all.

## VIII

### SOME PERSONAL TESTIMONY

**A**S a closing chapter of this little book, readers will pardon me for giving some personal testimony regarding the religious feature previously referred to several times as of greatest importance. I was born and brought up in the city of Gloucester, Massachusetts. It is a fine city of nearly 24,000 people, known throughout the world for its fishing industry. It is located on the rocky shores of Cape Ann, and its people are hardy and independent. It is a splendid city in which to bring up a boy, who, by himself, must make good in business.

My father and mother were both members of the Congregational Church and I was brought up in the Sunday-school of that church. When sixteen years of age I was converted at a revival campaign which was being held by a man named Munhall in 1891 at the Methodist Church

of that city. After the revival was over I joined, upon confession of faith, the Congregational Church, and became very much interested in Christian Endeavour, Sunday-school and Y. M. C. A. work. I was greatly encouraged by Mr. A. W. Bacheler, who was then principal of the Gloucester High School where I spent the first three years of the Christian life which I had entered with enthusiasm and energy. Mr. Charles E. Fisher, who is now president of the Gloucester Safe Deposit and Trust Company, was president of the Christian Endeavour Society at that time, and next to my father, mother and Mr. Bacheler, I owe much to him.

At nineteen years of age—in 1894—I entered the Massachusetts Institute of Technology in Boston. Although this institution has probably changed much since those days, it was then, like some other large educational institutions, a whirlpool of materialism. Although to many of the professors I look back with profound respect, yet the general atmosphere of the institution was distinctly



materialistic. Religion in all its forms was entirely omitted from the curriculum, and the influence of the place was almost to undermine, rather than to strengthen, the spiritual side of the students. I was influenced not simply by this institution but also by my friends at Harvard and other places of learning with which I came in contact. Even the teaching of philosophy, ethics, and economics seemed—in those days—to be purely from the material point of view.

Whether or not it was the result of these four years at college, the fact nevertheless remains, that during these four years my religious enthusiasm and interest slowly but constantly waned. When graduating in 1898, my interest in the church was at a low ebb. I was critical of preachers and creeds. Had it not been for the earnest solicitations of my wife, to whom I was then engaged to be married, I would have withdrawn from the church altogether and had my membership cancelled. She, however, with her usual good sense, urged me to be pa-

tient,—for which I have always been duly thankful.

### *My First Work*

I was graduated in 1898 as a civil engineer and, during my summers at college, had been doing engineering work in connection with the building of highways. But I greatly preferred work of a statistical nature rather than general engineering. Hence, upon graduation, I secured a position, through an experience already described, in the statistical department of a Boston bond house. Later I became interested with another man in the formation of another bond house. While working with the latter, in 1901, I was taken ill. This made it necessary first for me to go West and later for me to live in Wellesley Hills, doing all of my work out-of-doors. This illness forced me to start the statistical work which has lately developed to such large proportions. These circumstances compelled me to devote my time exclusively in Wellesley Hills to the study of statistics for a few banking

houses that permitted me to do a part of their statistical work.

The physical rest, forced upon me by the sickness, gave some time to think. Furthermore, figures constantly before me opened my eyes. Gradually my interest in religion came back. I again became active in church work, and my old religious enthusiasm returned. But this time I was converted by statistics rather than by the appeals of an evangelist. Thus my present condition really dates from 1902 rather than from 1894, although I doubtless owe much to Evangelist Munhall who broke the ground. Yes, I was reconverted by statistics, and no man who earnestly studies the figures which come to Wellesley Hills could fail to be converted likewise. Let me give a few illustrations.

### *Missionary vs. Explorer*

Like other young men I had been taught the economics of materialism; namely, that everything comes from "land and labour." The study of statis-

tics, however, indicated this to be untrue. Statistics showed that there was just as much land and natural resources in this country a thousand years ago as there is to-day, but it was undeveloped. It waited for Christianity and the teachings of integrity, faith, and service before men were willing to do more than was necessary to fill their daily needs. China has greater natural resources than the United States and, moreover, has far greater available labour; and yet, where is China to-day? China has the "land and labour," *but it lacks the religion which supplies the inspiration to develop and make the most of the land and labour.* Statistics show that the orthodox teaching of economics is wrong and cannot stand the test of history. Modern civilization has been built upon three fundamentals; namely, land, labour, and Christianity. What the spark is to the air and gas in the cylinder of an engine, that is Christianity to the land and labour about which we hear so much.

Some lecturers on political economy



refer to the missionary in sarcastic terms as the one who blazes the trail for the sale of rum and the spreading of unspeakable diseases. Statistics, however, teach that, notwithstanding the rum and unspeakable diseases, the civilization of every nation dates from the coming to it of the missionaries. Then and only then were the natives willing to consider something besides the satisfaction of their own material wants. Then and only then were they willing to respect the rights and property of others. Then and only then was it possible to develop the credit system upon which civilization is based. Hence all should be great admirers of the missionary and very enthusiastic over the Christianity that the missionary preaches. Statistics of every nation and community indicate that religion is the foundation of "making good."

### *Inventions vs. Inspiration*

Economists teach that we owe civilization to the inventors, to the bankers who finance the inventions, and to the captains

of industry who manufacture them. Yet, wherever illustrations of the world's greatest inventions are given, movable type is mentioned as one of the most important. But what do statistics show in connection with the development of the art of printing? They teach that movable type was invented by the Chinese three thousand years ago when they invented the compass and many other things which are in universal use to-day, but of which no practical use was made until within the last century. The Chinese made no use of these things because they were interested only in filling their own bellies. They had no passion to serve or to teach, no desire to develop or gospelize.

The use of movable type lay dormant until the time of the Reformation, when men became eager to read the Bible. It was the demand for the Bible which developed the printing industry, as the Bible was the first book of any importance set with movable type. Statistics show that the same thing is true of the

arts and sciences. The great paintings were not executed for commercial purposes as is much of the art of to-day, but rather to spread the gospel of the Scriptures and the writings of its teachers. The Renaissance was due to the fact that the people of Europe were on fire with the ideals of Christianity and a desire to be of service. Agriculture, chemistry, mathematics, and nearly all of the arts and sciences were developed within the walls of some monastery by monks fired with the spirit of Jesus.

Not only are inventions dormant until put to use by men and women inspired by Christianity, but inventions which are put to use by others become only a source of destruction. In the early days of the aeroplane, we had long, eloquent articles on its mighty possibilities; but how was it first used? It was not used to carry the Bible, but fell into the hands of a materialistic nation. The aeroplane was first used to bomb schoolhouses, murder innocent people, and destroy whole communities. Without the gospel, inventions be-

come a source of destruction instead of a blessing.

Statistics show that the popular textbooks on Economics are fundamentally lacking in their diagnosis of national and industrial growth. Inventions, credit, and all of these things of which we learn in Economics are nothing in themselves. Furthermore, they can become destructive as well as constructive. Statistics teach that the important thing is the inspiration of Christianity which both causes these economic forces to be utilized and also determines the purposes for which they are to be utilized.

### *Depression vs. Prosperity*

In a previous chapter is shown a chart of business conditions. This chart was made up by combining and plotting figures on new building, crops, clearing, immigration, foreign trade, money rates, failures, commodity prices, railroad earnings, security quotations, etc. This chart shows that there seems to be a line of normal growth for our



country, dependent upon its development physically, intellectually, and spiritually. The chart also shows that whenever the country goes above its line of abnormal growth, it must rest a corresponding period—in area—below it. An area of prosperity is always followed by an area of depression; an area of depression in turn is always followed by an area of prosperity. The areas, however, need not have the same shapes.

It was seen that each area is divided into halves by a narrow white line. This is to emphasize the fact that the first halves of areas below the X-Y line are really reactions from the extravagance, inefficiency, and corruption which existed during the latter half of the preceding “prosperity” area. Contrariwise, the first halves of areas above the X-Y line are really reactions from the economy, industry, and righteousness developed during the hard times just preceding.

*What is “Making Good”?*

But what causes these fluctuations in

business and prices? As has been already explained, panics are caused by spiritual causes, rather than financial, and prosperity is the result of righteousness rather than of material things. Hence, the importance to industry and commerce of the forces already mentioned. These spiritual forces are the true fundamentals of prosperity. This in turn leads us to consider whence they come and upon what we are to depend for their further development. Yes, Christianity is the basis of making good, whether one considers the nation as a whole or the individual.

Statistics were not my only teacher during these early years. Statistics alone were not responsible for bringing me back into the church and making me again strive for the better things. Personal relationships occurred during these same years when I was studying the statistics which made a deep impression upon me. Just a few illustrations:

The man who gave me my first position, when he was at the head of one of the largest bond houses in America, soon

failed through misfortune, and while constructing most useful enterprises. I feel grateful to this man not only for starting me out in business but also for teaching me the lesson that making good in business is something besides the acquiring of a large fortune which may be swept away at any time. Yet his experience was not uncommon. Although some few men make an ultimate success in finance, the majority finally lose their money. This is not surprising. "Where there is honey there are also stings." Where the profits are greatest, there the losses are also the most severe.

### *Other Danger Signals*

Unfortunately the young people of to-day see only the few who win the race for money. The thousands who drop out of the race are never heard of. Even the tracks in the sand are covered up by the gales that follow. Magazines and newspapers write up the two per cent. who survive but the ninety-eight per cent. who fall by the wayside are not mentioned.

But as a compiler seeking the truth, these failures were evident to me, and I knew many such men. As some of these were real friends of mine, their experiences made a great impression on me, teaching me that there is something to making good in business, as well as to making good in life, that is not taught in colleges and universities. Such men for a time succeed in the eyes of the public, but they do not make good in the real sense of the word. They themselves are glad to have me emphasize the fact to the young men of to-day.

While thus seeing these men rise to financial heights and then fall, I was meeting other men who did not seek financial power or great riches as business men, but who were truly successful and who were truly making good. They not only were getting a comfortable living, but they were enjoying that health, happiness, peace, and joy which comes from living as God intended we should live. I have in mind Frank A. Bridgman, Assistant Clerk of the Massachu-



setts House of Representatives, with whom I boarded in those early years; Robert A. Wood, the head of South End House, a College settlement where I spent a year during those critical times; and Leroy D. Peavey, a classmate of mine at Technology, who has been associated with me ever since and who is now Vice President of the Babson Statistical Organization. These latter men never sought material possessions; they never enjoyed the wealth and power of those financial geniuses with whom I was in daily contact. But where these financial geniuses rose to the heights only to be mown down, these others have slowly but steadily climbed, have been a credit to their families and their communities, as well as a source of inspiration to all who know them.

Once I went into the stock market and chased "quarter's and eighth's," but only lost money in the process; then I became interested in the "long swings" and made large profits through buying during panics and selling during booms, keeping

out of the market during the rest of the time. I soon found, however, that although playing these long swings won for me money, it won for me nothing else. Like many other men I have now learned that there is nothing of permanent value in any of these material things. Land, buildings, railroads, steamships, banks, stores, merchandise,—all of these things—are of value only as they help us make good in the true sense of the word. By making good in the true sense, I refer to acquiring that health, happiness, joy, and peace which comes only through attempting to follow Jesus of Nazareth.

### *A New England Story*

A story is told in one of the old sea-coast towns of New England that made a great impression on my early boyhood days. I first heard it at a Christian Endeavour Convention in the early nineties. Having been brought up on Cape Ann near the ocean, going to sleep every night and waking every morning to the sound of the waves lapping on the beach, the

story appealed to me. Moreover, as every winter we would have four or five shipwrecks off the shore of Gloucester, I knew what the story meant. Every shipwreck has a great human interest wrapped about it, and this one is especially appealing.

There were two boys named Brown; they were brothers. The mother had died with tuberculosis when the children were young. The father was a sea captain, one of the best of the town, but he was lost when these boys were fourteen and sixteen years of age, respectively. They, however, lived together in their three rooms, did their own cooking and housework, and went to school. The people called them "hatchet and handle" because they were always together. The older boy, Jimmie, finally went into a store, but the younger boy got that longing for the sea which only those brought up near the ocean can appreciate, and when sixteen years old he went out "on the Banks" for a fishing trip.

The boy had been away only two

weeks, when to that New England town came word that the vessel with all hands had gone down. The disaster was, of course, a great blow to the older brother, Jimmie,—a terrible blow. It occurred in February or March. The spring came on; the birds returned. The summer followed; and again the trees changed their colour in the autumn. Still Jimmie was very sad. In November a rumour came through the town that a great four-master schooner had gone on the rocks near the Point. The boys of the town, as always, went with the crowd to the Point to see the wreck. When they reached the shore, the life boat had already gone out.

### *The Spirit Which Makes Good*

It was a wicked afternoon; that life boat would rise to the top of the waves and then go completely out of sight. Every one held his breath until it would come in sight again. Finally, the boat reached the ship, took off the crew, and came back to shore. As soon as it landed, the Life Saving men and the shipwrecked



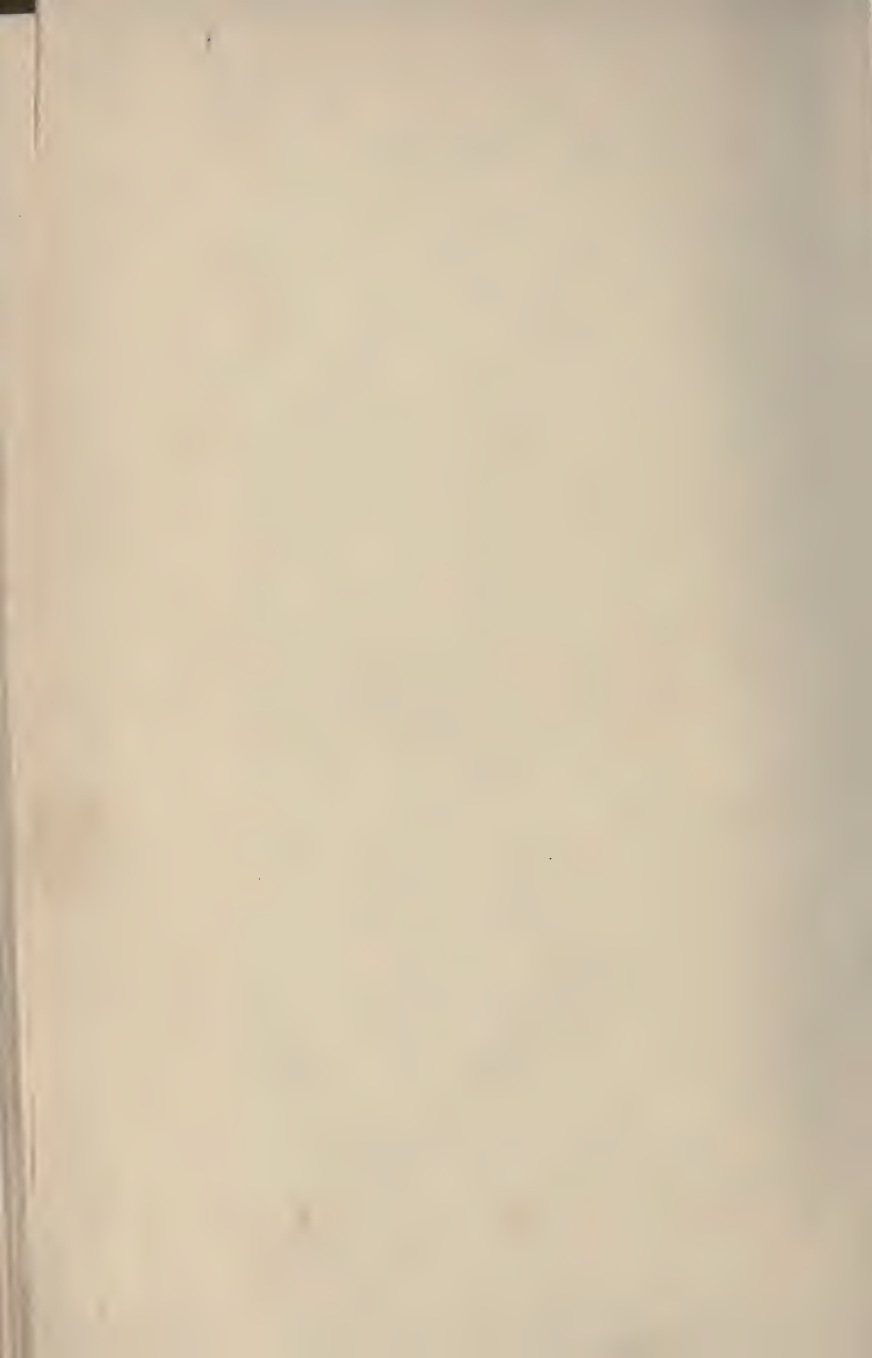
crew came stumbling out, falling exhausted on the beach. They were taken to a fire which had been built of driftwood, were given hot food and rubbed. They were gradually recovering when a rumour ran about the crowd that a chap, sick and helpless, had been left aboard the ship; that because of his weak condition they could not get him into the life boat, since the waves were too severe, the sea running too high. Well, that didn't go with the people of that New England town and they urged the life boat crew to go back and save the other man. The crew replied: "No, we cannot. It is too much to attempt again in these waves this afternoon."

Then to the surprise of every one, little Jimmie Brown jumped up on a rock and shouted: "I have nothing to live for. I have lost my brother. Let me go and I want some boys to go with me." So the boys formed a volunteer crew, went out to the ship, and brought the other chap ashore. They also fell exhausted on the beach on their return. But they were

rubbed and warmed; while the unconscious lad was taken to another fire to be nursed by the good women living near by. Finally, the unconscious one smiled and opened his eyes. Every one was happy. Gradually, one by one, the volunteer boy crew came up to the fire to look at this chap they had saved. Finally Jimmie Brown came and looked. Lo and behold, it was his younger brother! The crew of the fishing schooner had all been lost excepting this young Brown. He had been picked up by the four-master on its way to Manila, which, on its homeward voyage, was wrecked on the New England coast.

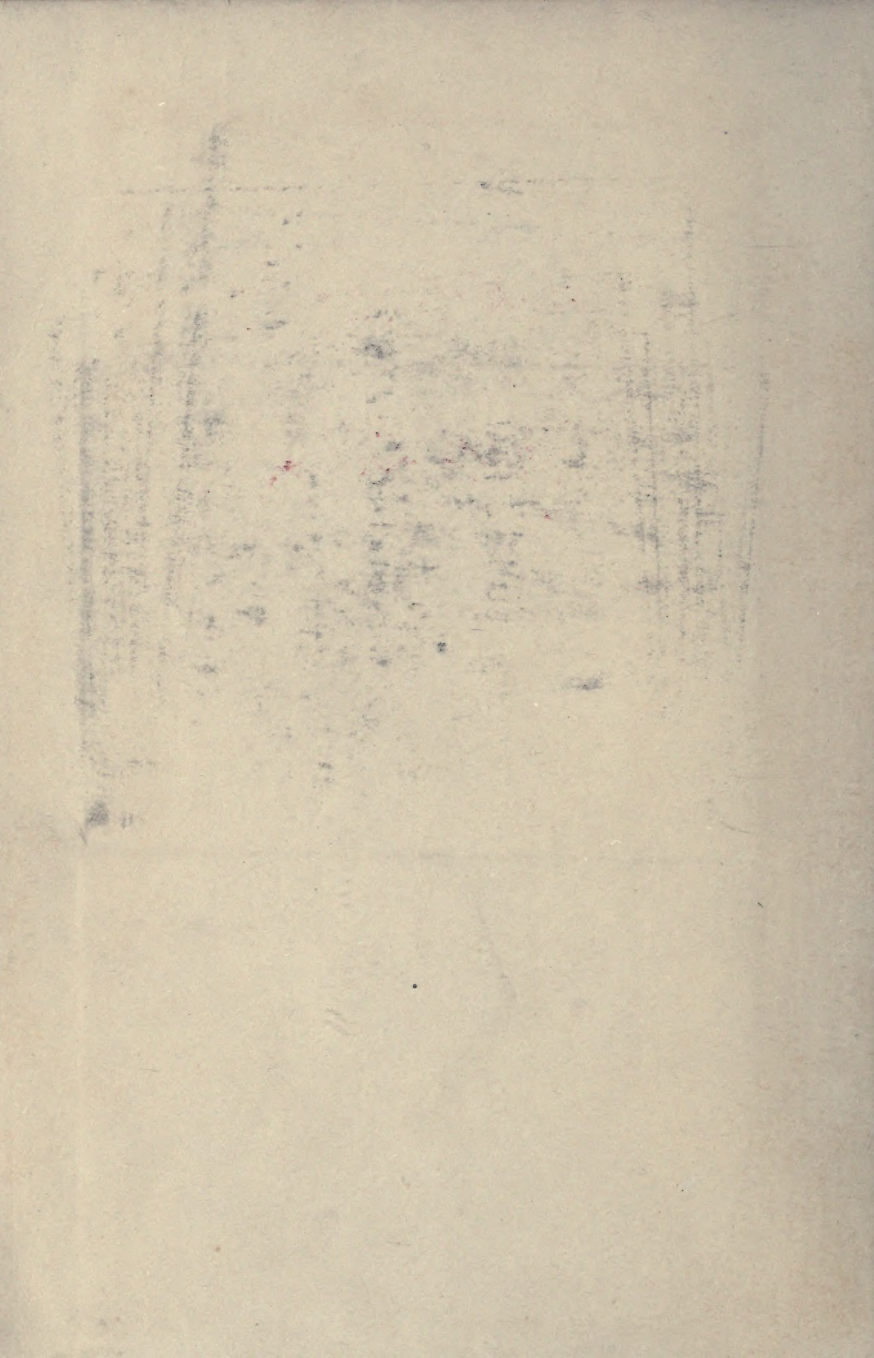
Young men and women who read this book: Remember Jimmie Brown. Forget yourselves. Think of the other fellow. Become interested in doing what is right; in standing for industry, integrity, service. If you do, you (like Jimmie Brown) will find what is dearest to your hearts, namely, PROSPERITY. The secret of success is service; the secret of making good, is being good and doing good.

*Printed in the United States of America.*









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